

Action Plan

Grantee: Compton, CA

Grant: B-08-MN-06-0505

LOCCS Authorized Amount:	\$ 3,242,817.00
Grant Award Amount:	\$ 3,242,817.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 595,098.00
Total Budget:	\$ 3,837,915.00

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

Housing prices have declined 14.3 percent from the peak. At the same time, unemployment is approximately 12.4 percent. There are currently 718 bank owned properties (REOs), 498 properties with a Notice of Default filed, and 278 additional properties scheduled for auction. Eighteen (18) census tracts were rated as 8 or 9 on the 10-point foreclosure risk scale developed by HUD.

Distribution and and Uses of Funds:

The City will use the funding to address the number of foreclosed and abandoned homes located within the 18 cesus tracts noted as high risk and identified in the approved substantial amendment throughout the City. These 18 tracts are rated as high risk (score of 8 or 9) based on the 10-point foreclosure risk scale developed by HUD. The City will utilize NSP funds for the acquisition of foreclosed units in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures as evidenced by the HUD-provided data and current information on foreclosures.

Definitions and Descriptions:

Blighted Structure

A blighted structure is a building in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities. The City of Compton defines a "Blighted Structures" in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a) This subdivision describes physical conditions that cause blight: (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities. (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards. (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area. (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Affordable Rents

"Affordable Rents" shall mean lower income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, affordable rent may be established at a level not to exceed 30 percent of gross income of the household. Affordable rents shall be determined in the same manner as pursuant to Health and Safety Code requirements.



Continued Affordability

The City of Compton shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties remain affordable to individuals or families with incomes below 120 percent of area median income or, for units originally assisted with funds under the requirements of Section 2301(f)(3)(A)(ii), remain affordable to individuals and families with incomes below 50 percent of area median income. The resale price, as determined by the City, must be affordable to the new purchaser and may not exceed the affordable housing cost for a low-income household. The affordable housing cost is the product of 30 percent times 80 percent of the area median income adjusted for family size appropriate for the property. Resale of the property by the participants during the affordability period to a new purchaser that is not a low-income household, does not intend to occupy the property as a primary residence, or the resale price is not an affordable price, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges. During the affordability period, should participant transfer the property title, not occupy the property as a primary residence or not comply with any portion of the loan agreement, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges. Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

Housing Rehabilitation Standards

The City of Compton will ensure that all rehabilitation of residential properties utilizing NSP funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

Low Income Targeting:

LOW INCOME TARGETING

At least 25 percent of the City's NSP funding must benefit persons at or below 50 percent of the median area income. The City intends to purchase, rehabilitate and dispose of foreclosed upon or abandoned residential properties to house individuals or families that meet this NSP income requirement.

Acquisition and Relocation:

ACQUISITIONS AND RELOCATION

The primary NSP eligible activity that the City will undertake involves the acquisition and disposition of homes and residential properties that have been abandoned or foreclosed upon. The City will then rehabilitate the home/unit to ensure that all health and safety and code violations are addressed prior to making any general property improvements. Rehabilitated homes/units will then be made available to first time homeownerships. The City will commence the acquisition and rehabilitation activity upon the release and authorization of NSP funds. All initial NSP funds for this activity will be committed within the statutory 18-month period, as set forth in Section 2301(c) (1) of HERA. The number of NSP affordable housing units that the City will make available to low-, moderate- and middle-income households will be determined by the current market conditions at the time of acquisition and rehabilitation. However, the City estimates that up to 2 NSP affordable housing units will be made available to households between 50 to 80 percent of area median income and 2 affordable housing units will be made available to households between 120 to 80 percent of area median income. The City does not anticipate carrying out any conversion activities. Moreover, the City will not undertake demolition activities of blighted structures. The City expects to acquire, rehabilitate and rent approximately 6 units to renters at or below 50 percent of the area median income. At least 25 percent of NSP funds must benefit persons who meet this income requirement.

Public Comment:

A 15-day public comment period for the 2nd Substantial Amendment to the NSP Action Plan covering the period from June 17, 2010, to July 1, 2010, was published, however, no public comments were received during the noticing period. The amendment is posted to the City's website pursuant to NSP requirements.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP-1	Acquisition/Rehab/Resale	NSP-1.1	Acquisition/Rehab/Resale
NSP-2	Acquisition/Rehab/Rental	NSP-2.1	Acquisition/Rehab/Rental
NSP-3	NSP Administration	NSP-3.1	NSP Administration



Activities

Project # / Title: NSP-1 / Acquisition/Rehab/Resale

Grantee Activity Number: NSP-1.1
Activity Title: Acquisition/Rehab/Resale

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 NSP-1

Projected Start Date:
 04/01/2009

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way

Project Title:
 Acquisition/Rehab/Resale

Projected End Date:
 07/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,777,912.00
Other Funds: \$ 0.00
Total Funds: \$ 1,777,912.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	4		4	100.00
# of Households	4		4	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Housing Units	4
# of Properties	4



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Compton Redevelopment Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Compton Redevelopment Agency	Unknown	\$ 1,777,912.00

Location Description:

The City has identified 18 census tract areas of greatest need where NSP funds will be used. These census tracts are the high foreclosure rate areas as listed in the approved substantial amendment.

Activity Description:

This activity is for acquisition, rehabilitation, and resale of properties to eligible homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be based on their affordability term. A portion of the City's original investment of acquisition and rehabilitation funds will remain in the property as a "silent second" (no monthly payments due, and a proportionate equity-share mechanism in-lieu of interest) to be repaid upon change in title or status as owner-occupied housing. The silent second will be provided at a 0% interest rate.

The property will have an affordability covenant recorded against it for a period of 15 years. As with other assisted single-family units through Compton's housing assistance programs, continued affordability is ensured through an annual monitoring process. Initial acquisition cost will average at least one percent (1%) below the current appraised value. The sales price will be no greater than the total investment by the City (including acquisition, rehabilitation and associated program delivery costs).

Project # / Title: NSP-2 / Acquisition/Rehab/Rental

Grantee Activity Number: NSP-2.1
Activity Title: Acquisition/Rehab/Rental

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-2

Projected Start Date:

04/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Activity Status:

Under Way

Project Title:

Acquisition/Rehab/Rental

Projected End Date:

07/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:



Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Total Budget: \$ 1,640,624.00

Other Funds: \$ 0.00

Total Funds: \$ 1,640,624.00

Proposed Beneficiaries

Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	6	6		100.00
# of Households	6	6		100.00

of Households

Proposed Accomplishments

of Multifamily Units

of Housing Units

of Properties

Total

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Compton Redevelopment Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Compton Redevelopment Agency

Organization Type

Unknown

Proposed Budget

\$ 1,390,624.00

Location Description:

The City has identified 18 census tract areas in which NSP funds will be used. These census tracts have been identified as the high foreclosure rate areas in the approved substantial amendment.

Activity Description:

This activity is for acquisition, rehabilitation, and rental, specifically for households earning less than 50% AMI. The City will select a qualified non-profit agency or a for profit development partner for the acquisition and rehabilitation of single-family or multi-family units for rental to households at or below 50% AMI and/or permanent supportive housing for special needs populations to expand affordable housing opportunities in this area.



Project # / Title: NSP-3 / NSP Administration

Grantee Activity Number: NSP-3.1
Activity Title: NSP Administration

Activity Type:

Administration

Project Number:

NSP-3

Projected Start Date:

11/01/2008

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

NSP Administration

Projected End Date:

07/31/2017

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 379,281.00

Other Funds: \$ 0.00

Total Funds: \$ 379,281.00

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Compton Redevelopment Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Compton Redevelopment Agency

Organization Type

Unknown

Proposed Budget

\$ 379,281.00

Location Description:

Not Applicable. Administration funds will be used to support other NSP-funded investments which will be concentrated in the eleven priority census tract areas.



Activity Description:

This activity is grant administration which includes but is not limited to the following activities:

- Compliance monitoring (NSP requirements, Labor Standards, Section 3, procurement, conflict of interest, EEO, URA, Affirmative Marketing, etc.)
- Environmental review for compliance with the National Environmental Policies Act (NEPA)
- Contracting
- Procurement (including letting of appropriate Requests for Proposals, Notices of Funding Opportunities, Etc.)
- Financial data collecting and reporting
- Quarterly reporting
- Data entry and reporting through DRGR
- Providing technical assistance to activity sponsors
- Ensuring public participation

Action Plan Comments:

- Reviewer - The City needs to revise this Action Plan, as the only areas that can be assisted with NSP funds are the targeted areas.
- Reviewer - 10/6/9 We recommend that the City expand their narratives to include the information provided in their approved substantial amendment, however the basics are included. jkw
- Reviewer - 10/9/9 The expanded narratives are more inline with the substantial amendment. jkw
- Reviewer - The Activity parameters, proposal and text appears acceptable. Need to check their actual achievements, allocations and cost structure to see the realistic achievement per proposed plan. 2/7/2011 hjb
- Reviewer - Grantee amended Action Plan to add estimated Program Income of \$350,000. Grantee allocated \$250,000 to Activity 1.1 Acquisition/Rehab/Resale and \$100,000 to Activity 2.1 Acquisition/Rehab/Rental. Approved by CVC 06.13.13.
- Reviewer - Grantee amended action plan to revise activity type from "acquisition - general" to residential reconstruction per HQ directive. Approved. EOO for CVC. 1/30/14.
- Reviewer - The changes are non-substantial data correction and budget changes.
- Reviewer - Change in budget line items

Action Plan History

Version	Date
B-08-MN-06-0505 AP#1	09/29/2016



B-08-MN-06-0505 AP#2	04/28/2015
B-08-MN-06-0505 AP#3	01/30/2014
B-08-MN-06-0505 AP#4	06/13/2013
B-08-MN-06-0505 AP#5	02/07/2011
B-08-MN-06-0505 AP#6	08/26/2010

