

# Action Plan

**Grantee: Fresno County. CA**

**Grant: B-08-UN-06-0003**

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<b>LOCCS Authorized Amount:</b>	\$ 7,037,465.00
<b>Grant Award Amount:</b>	\$ 7,037,465.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 8,142,122.04
<b>Total Budget:</b>	\$ 15,179,587.04

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Areas of Greatest Need:

#### INTRODUCTION

The County of Fresno's fiscal year 2008-09 Action Plan was adopted by its Board of Supervisors on April 22, 2008. The Plan identified the County's planned activities for the year using its federal entitlement grant awards from the Community Development Block Group (CDBG), Home Investment Partnerships (HOME) and Emergency Shelter Grant (ESG) programs. The recently enacted federal Neighborhood Stabilization Program (NSP) under the Housing and Economic Recovery Act of 2008 (HERA) requires the County to substantially amend its Action Plan to accommodate an NSP award of \$7,037,465 to the County for emergency assistance for the redevelopment of abandoned and foreclosed homes.

The County of Fresno will use its NSP funding to acquire abandoned foreclosed homes, rehabilitate the homes, and resell the properties to NSP income-eligible families. NSP funded-activities will be focused in those neighborhoods and communities that demonstrate the greatest need as defined by HUD's priority criteria for "areas of greatest need". Identified below is the County's NSP geographic areas of greatest need and methodology used to determine these areas within the County's jurisdiction.

#### AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program.

The County of Fresno's jurisdictional boundary includes all of Fresno County's unincorporated areas and eight partner cities that participate in the County's Urban County CDBG Entitlement Program. In order to determine the areas of greatest need within the County's jurisdiction, the County followed HUD's priority directive that NSP funds be in areas with 1) the greatest percentage of home foreclosures; 2) areas with the greatest likelihood to face a significant rise in the rate of home foreclosures (the percentage of notices of default were used for this analysis); and 3) the highest percentage of homes financed by subprime mortgages.

Data Analysis - HUD's foreclosure and abandonment data was used as a starting point. HUD's data was then updated with current local data specific to Fresno County. For identifying areas with greatest number of subprime mortgages, the County relied on HUD's subprime data. The analysis included the eight partner cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger, and Selma, and all of the County's unincorporated communities.

The collected data was scored and ranked using the same weighted risk factors established by HUD: number of foreclosures/70 percent, number of notices of defaults/15 percent, and percentage of subprime mortgages/15 percent. The County plans on targeting those cities and communities having a combined risk factor of 1.71 percent or higher.



Tables A, B and C list the result of the analyses of the eight (8) cities and thirty four (34) communities in the County's jurisdiction. The County will focus its NSP resources in the cities and communities in Table A, ranked 1 through 15. The County will concentrate its efforts for NSP funds to acquire, rehabilitate and resell foreclosed and/or abandoned homes in these specific targeted areas.

Table A: City & Communities of Greatest Need (in Rank Order by Risk Factor, noted in parenthesis)

1. Calwa (3.26%)
2. Sanger (2.87%)
3. Mendota (2.76%)
4. Del Rey (2.49%)
5. Mayfair (2.49%)
6. Easterby (2.48%)
7. Malaga (2.38%)
8. Riverdale (2.34%)
9. Selma (2.30%)
10. Kerman (2.29%)
11. Easton (2.14%)
12. Coalinga (2.10%)
13. Tarpey (1.99%)
14. Fowler (1.73%)
15. Reedley (1.73%)

Some cities/communities show fewer foreclosures yet are ranked higher on Table A, because the number of foreclosed homes relative to the number of total housing units in those cities/communities is greater.

Table B: Other Impacted Cities & Communities

1. Sunnyside (1.70%)
2. Squaw Valley (1.69%)
3. Biola (1.60%)
4. Auberry (1.42%)
5. Kingsburg (1.33%)
6. Fig Garden (1.22%)
7. Friant (1.11%)
8. Shaver Lake (0.92%)
9. Other Non-Significant Communities (Caruthers, Lanare, Laton) (2.05%)

Table C: Communities With Non Significant Foreclosures (Having one or fewer foreclosures)

1. Big Creek
2. Clingan's Junction
3. Laton
4. Prather
5. Bowles
6. Dunlap
7. Miramonte
8. Raisin City
9. Burrough Valley
10. Five Points
11. Monmouth
12. Tollhouse
13. Caruthers
14. Helm
15. Pine Flat
16. Tranquillity
17. Centerville
18. Lanare
19. Pinehurst

While List A is the primary focus of NSP funded-activities, the County will continue to monitor and analyze new housing data as it becomes available for these and other areas and cities in the County's jurisdiction identified in Table B and Table C. In the event there is a significant shift in need, the County will re-evaluate its focus and resources to ensure it continues to meet the NSP priorities.

### Distribution and and Uses of Funds:

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

As required by the new HERA program, the County will direct its NSP funds to those areas within the County's jurisdiction that meet HUD's criteria of greatest need - the areas demonstrate:



1. the greatest percentage of home foreclosures;
2. areas likely to face a significant rise in the rate of home foreclosures as demonstrated by number of default notices as identified by the local government; and
3. the highest percentage of homes financed by subprime mortgages.

#### DISTRIBUTION:

As shown in Table A (Cities & Communities of Greatest Need), the County will focus its use and distribution of NSP funds primarily in the cities and communities ranked from 1 through 15 out of the 42 areas analyzed by the County. In the event, due to housing market fluctuations, the areas of greatest need change, the County will re-evaluate and make adjustments to continue to distribute NSP funds in those areas meeting NSP priorities.

Current data for Fresno County was utilized in identifying these targeted areas for NSP funds. In the first eight months of 2008, cities and communities listed in Table A had 80.6 percent of all foreclosed properties in the County's NSP geographic area. In order to meet NSP requirements, it is the County's intent to first target those cities/communities that demonstrate the greatest need and also demonstrate willing sellers and buyers. While it is anticipated that we will concentrate efforts in order of ranking on Table A, due to time constraints of the program, it may also be necessary at times to shift the order within Table A as opportunities arise or between tables as the market dictates as areas of greatest need change.

#### USES:

The County of Fresno NSP allocation is \$7,037,465. The County plans to use NSP funds to purchase and rehabilitate abandoned and foreclosed single-family homes. The homes will then be made available to NSP income-eligible buyers for purchase as their principal place of residence. The County is also committed to using 25 percent of its NSP allocation to assist persons at or below 50 percent of the area median income in the County with the purchase of a home.

In addition to using NSP funds for the acquisition-rehabilitation of foreclosed properties, the County intends to use NSP funds to provide mortgage assistance to help write down the homebuyer's principal mortgage. For those families that require further assistance to ensure mortgage payment are affordable and also meet HOME income requirements, the County may also layer NSP mortgage assistance funds with a County HOME-funded loan through the County's Housing Assistance Program (HAP) to ensure affordability for the buyer. The County's HAP loan is a zero interest deferred mortgage assistance loan for persons at or below 120 percent of area median income for Fresno County.

The County's proposed NSP homebuyer program will define "affordability" as a mortgage payment that shall not exceed 43 percent (back end ratio) of household income. The affordable mortgage payment shall include Principal, Interest, Taxes and Insurance (PITI), and all re-occurring debt. This component will be especially useful in meeting NSP requirements that 25 percent of the NSP grant be used to assist families at and below the 50 percent of area median income.

The County's efforts will focus on purchasing homes in the identified areas of greatest need and reselling them as quickly as possible. The County will use at least 25 percent of NSP funds for the acquisition-rehabilitation, mortgage assistance and sale of homes for purchase by families who earn 50 percent or less of area median income. The remaining funds (less program administration) will be for the same types of housing activity (acquisition-rehabilitation, mortgage assistance, and sale) but for families with incomes at or below 120 percent AMI.

It is proposed NSP funds will be used to implement the programs as follows:

- \$5,133,719 - Acquisition, rehabilitation, and disposition of foreclosed properties
- \$1,200,000 - Mortgage Assistance
- \$ 703,746 - Program Administration

A minimum of 25 percent (\$1,759,366) of the total grant funds of \$7,037,465 will be used for the acquisition-rehabilitation and mortgage assistance to assist families that are at or below 50 percent of area median income with the purchase of an NSP home for their principal place of residence. The exact amount of funds distributed for each activity is an estimate as the price of the homes and the amount of mortgage assistance will vary based on the real estate market which fluctuates greatly. As program income is received from the resale of the NSP homes, the funds will be used to continue the NSP activities in the identified target areas.

#### Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law.

A "blighted structure" will be defined as a unit considered to be in a state detrimental to public health and safety - the unit is in a state of decay or decline as it relates to the building shell or its components, such as a roof system, foundation or any part of the building system which makes it unsafe to occupy. It may also include a unit that rehabilitation costs exceed the cost to demolish and build new.

Under NSP, the County of Fresno does not plan on demolishing any blighted commercial or public structure, but it may demolish and reconstruct a residential unit which is considered a "blighted structure".

(2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program-specific requirements such as continued affordability.

The County of Fresno does not plan on conducting any rental housing activities with the NSP funds. Should it become necessary to consider rental activities to serve households in need of rental units, the County would amend the Action Plan to add that activity. However, if rental activities were to be implemented, HUD's "High" HOME Program rents would be used as the standard for NSP rental units. The rents are updated annually by HUD. Table D below lists the affordable rents for 2008 that would be



utilized if the County were to implement a housing rental activity with NSP funds.

Table D: NSP Affordable Rents

- 0 Bedroom: \$591
- 1 Bedroom: \$635
- 2 Bedroom: \$764
- 3 Bedroom: \$875
- 4 Bedroom: \$956
- 5 Bedroom: \$1,037
- 6 Bedroom: \$1,117

Source: U.S. Department of HUD 02/2008

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

The County will use a modified version of HUD's Home Investment Partnership ("HOME") Program recapture requirements as described at 92.254(a)(5)(ii) - Recapture. The County created the Fresno County Neighborhood Stabilization Joint Powers Authority (the "Authority") to administer the NSP activities. The County is utilizing the Authority to operate the acquisition, rehabilitation and sales component of the County's NSP program. Under this acquisition, rehabilitation and sales program, the Authority will, with NSP funds, acquire and rehabilitate homes in Fresno County and sell such homes (the "Authority Homes") to low, moderate and middle income households for a purchase price that is equal to the cost of acquisition, as described in the Fresno County Substantial Amendment to the 2008-2009 Action Plan. Any subsidy provided by the Authority in excess of its cost of acquisition (e.g. the cost of rehabilitation) will be forgiven (and not subject to future recapture) upon the Authority's sale of an Authority Home to a qualifying household.

The agreement between the County and the Authority provides that the County is responsible for establishing, enforcing, and monitoring the affordability period. The County will provide a second mortgage loan concurrently with the mortgage loans to the households purchasing the Authority Home (the "Purchasing Households"). The second mortgage loans will have a term of fifteen (15) years (the "Affordability Period") and bear zero percent (0%) interest. The second mortgage loans will also be forgiven starting at year six (6) by ten percent (10%) each year so that the loan will be entirely forgiven by the end of the loan term (provided that the Purchasing Household has not defaulted under the second mortgage loan). The second mortgage loan program will require that the Purchasing Households occupy the Authority Homes as their primary place of residence. In addition, the balance remaining on the second loan is due and payable in full to the County upon sale by Purchasing Household anytime during the Affordability Period, unless the Authority Home is sold to another qualifying household (in which case the qualifying household may assume the second mortgage loan). In the event a Purchasing Household does not require a second mortgage loan, the County will record a fifteen (15) year resale agreement against the Authority Home that is consistent with the HOME resale requirements.

The County's second mortgage program will ensure continued affordability of NSP-assisted housing by recapturing the second mortgage assistance provided to NSP income eligible families who default under their second mortgage loan or who sell their home to a non-qualifying household before the end of the Affordability Period.

Regardless of the amount of the NSP subsidy, to meet the NSP affordability requirements for the County's acquisition, rehabilitation, sales and mortgage program, the loan term will be no less than fifteen (15) years, which is intended to reflect the maximum recapture period HUD requires under section 92.254(a)(4) of the HOME regulations. To ensure compliance with the above described recapture provisions, the County will require the NSP income eligible families to enter into a promissory note, secured by a deed of trust against the house, which will incorporate the above described requirements.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

The activities of the Neighborhood Revitalization Program as it applies to rehabilitation of existing houses will adhere to the County's existing Affordable Housing Programs rehabilitation standards that are used for its CDBG and HOME-assisted housing rehabilitation activities. The standards include the following requirements:

- All work shall be done in accordance with the current California codes.
- Work shall adhere to the County of Fresno Title 15 ordinance codes.
- County of Fresno Affordable Housing Programs' Rehabilitation of Existing Dwellings General Specifications.

All the above meet or exceed current Housing Quality Standards.

### Low Income Targeting:

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$1,759,366. Note: At least 25 percent of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Initial Distribution of NSP funds:

For the initial \$7,037,465, the County of Fresno plans to use a minimum of 25 percent (\$1,759,366) of its funds to assist families whose incomes do not exceed 50 percent of area median income. All of the NSP funds will be used for acquisition, rehabilitation, disposition and mortgage assistance. Lower income families may require a greater mortgage assistance subsidy in order to make the house affordable. Realizing the difficulty of servicing families at or below 50 percent of area median income, the County may resell the acquired-rehabbed properties at a discounted price of up to 25 percent of the County's initial



acquisition cost if necessary to make the mortgage payments affordable. All other persons with incomes ranging between 51 percent and 120 percent AMI will be able to purchase the NSP properties at the County's cost to acquire the property.

It is anticipated approximately 20-30 families will be assisted with the initial NSP award.

The estimated breakdown of families assisted by income is as follows:

- < 50% AMI: 5-8 households
- 51% - 80% AMI: 5-8 households
- 81% - 120% AMI: 10-14 households

Anticipated Use of Program Income generated by NSP:

It is also anticipated that a total of 45-60 families may be assisted through 2013. Approximately 12-15 families will be families at or below 50 percent of area median income, 12-15 families will be families earning 51-80 percent of area median income, and 21-30 families will be families earning 81-120 percent of area median income. The exact number of families assisted depends on the sales price of the homes being acquired, the amount of rehabilitation required and the amount of subsidy each buyer will need. It is the County's goal to purchase and resell as many homes as possible and positively impact the communities that greatly need it.

### Acquisition and Relocation:

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., less than or equal to 80 percent of area median income). If so, include:

- The number of low- and moderate-income dwelling units (i.e., less than or equal to 80 percent of area median income) reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households (i.e., less than or equal to 120 percent of area median income) reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

The County of Fresno does not plan to demolish or convert any low- and moderate-income dwelling units (i.e., less than or equal to 80 percent of area median income). The County plans on acquiring only existing foreclosed homes that have completed the foreclosure process and are vacant. Therefore, the County does not anticipate using any NSP for relocation. However, should a relocation matter arise, the County will follow current CDBG relocation requirements under the Federal Uniform Relocation Act.

### Public Comment:

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

The County's notice regarding the Neighborhood Stabilization Program was published for public comment on October 31, 2008. The document was also posted to the County's website at <http://cofinternetstage/departmentpage.aspx?id=6004> on 10/31/2008. On November 18, 2008 a Public Hearing was held at the Fresno County Board of Supervisors for approval. No comments were received at that meeting. However, several presentations were conducted throughout the County at several City Council meetings. The following is a summary of the comments:

- November 5, 2008: Kerman, CA. The City would like to ensure that the homes that are purchased are maintained during the duration that the County owns the property.
- November 5, 2008: Kingsburg, CA. The City would like to encourage the County to hire local contractors to help the local economy.
- November 12, 2008: Reedley, CA. The City would like for the County to work with local churches and realtors to conduct their outreach.
- November 17, 2008: Selma, CA. The City would like for us to work on purchasing short sale properties.
- November 19, 2008: Citizens Advisory Committee: Members would like to make sure that the County also makes every effort to ensure that funds are spent in the unincorporated areas that have demonstrated a great need.

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP-A	Financing Mechanisms - Mortgage	NSP-A, Post-Closeout	Mortgage Assistance, Post-Closeout
		NSP-A-0001	Mortgage Assistance
		NSP-A-0002	Mortgage Assistance (LH - 25% Set-Aside)
NSP-B	Acquisition/Purchase and	NSP-B-0001	General Acquisition, Rehab, Disposition



NSP-F	Administration and Planning Costs	NSP-B-0002	General Acquisition, Rehabilitation, Disposition
		NSP-F, Post-Closeout	NSP Administration, Post-Closeout
		NSP-F-0001	NSP Administration



# Activities

**Project # / Title:** NSP-A / Financing Mechanisms - Mortgage Assistance

**Grantee Activity Number:** NSP-A, Post-Closeout  
**Activity Title:** Mortgage Assistance, Post-Closeout

**Activity Type:**  
Homeownership Assistance to low- and moderate-income

**Project Number:**  
NSP-A

**Projected Start Date:**  
04/29/2016

**Project Draw Block by HUD:**  
Not Blocked

**Activity Draw Block by HUD:**  
Not Blocked

**Block Drawdown By Grantee:**  
Not Blocked

**Activity Status:**  
Under Way

**Project Title:**  
Financing Mechanisms - Mortgage

**Projected End Date:**  
06/30/2016

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

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

**Environmental Assessment:**  
COMPLETED

**Benefit Report Type:**  
Direct (Households)

**Total Budget:** \$ 9,575.12  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 9,575.12

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	1		1	100.00
# of Households	1		1	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	1
# of Housing Units	1

**Activity is being carried out by Grantee:**  
Yes

**Activity is being carried out through:**  
Grantee Employees

**Organization carrying out Activity:**  
County of Fresno

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
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**Location Description:**

Project work sites may be located throughout Fresno County unincorporated areas and the seven participating cities of Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. A specific address is not known at this time.

**Activity Description:**

Mortgage Assistance, Post-Closeout - the County plans to provide NSP1 funds for mortgage assistance to a family purchasing an NSP3-acquired home in the County's NSP3 target areas. Mortgage assistance provided may be up to 30 percent of the purchase price plus eligible closing costs based on the gap financing needed. The amount of subsidy will be based on the amount of "gap" financing needed to complete the sale purchase of the property (the difference between what amount of first mortgage the buyer qualifies for and what is needed to complete the purchase) but will not exceed 30 percent of the County purchase price plus eligible closing costs. A gap analysis will be prepared to establish the maximum amount of subsidy needed to ensure the housing is affordable for the buyer. The County's proposed NSP homebuyer program will define "affordability" as a mortgage payment that shall not exceed 43 percent (back end ratio) of household income. The affordable mortgage payment shall include Principal, Interest, Taxes and Insurance (PITI), and all re-occurring debt.

The mortgage assistance loan will be made available to a family earning at or below 120 percent of area median income. The loan will be in the form of a forgivable zero interest loan. If the home is resold within the first five years, the family must pay back the full amount of the assistance. Beginning in the sixth year, provided occupancy requirements are still being met, a percent of the NSP loan will be forgiven annually based on the amount of assistance provided and the affordability term required, until the affordability period requirement has been fulfilled and the total amount of the assistance loan is forgiven.

Regardless of the amount of the NSP subsidy, to meet the NSP affordability requirements for the County's acquisition, rehabilitation, sales and mortgage program, the loan term will be no less than fifteen (15) years, which is intended to reflect the maximum recapture period HUD requires under section 92.254(a)(4) of the HOME regulations. To ensure compliance with the above described recapture provisions, the County will require the NSP income eligible families to enter into a promissory note, secured by a deed of trust against the house, which will incorporate the above described requirements.

The County's NSP will be for owner-occupied single-family housing, in order to maximize neighborhood stabilization per HUD's guidelines. Resale restrictions will be placed on all NSP housing units sold. During the affordability period, the homes must remain owner-occupied homes. Resale during the affordability period must be to income-eligible families purchasing the home as their principal place of residence. The County will follow HUD's accepted resale regulations under the HOME Program as described at 92.254 (a)(5)(i).



**Grantee Activity Number:** NSP-A-0001  
**Activity Title:** Mortgage Assistance

**Activity Type:**  
 Homeownership Assistance to low- and moderate-income

**Project Number:**  
 NSP-A

**Projected Start Date:**  
 03/17/2009

**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:**  
 Completed  
**Project Title:**  
 Financing Mechanisms - Mortgage

**Projected End Date:**  
 09/17/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,356,760.58  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 1,356,760.58

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	13		8	61.54
# of Households	13		8	61.54

Proposed Accomplishments	Total
# of Singlefamily Units	13
# of Housing Units	13

**Activity is being carried out by Grantee:**  
 Yes

**Activity is being carried out through:**  
 Grantee Employees

**Organization carrying out Activity:**  
 County of Fresno

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
County of Fresno	Local Government	\$

**Location Description:**



Project work sites may be located throughout Fresno County unincorporated areas and the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. Specific addresses are not known at this time.

**Activity Description:**

Mortgage Assistance - the County plans on providing NSP funds as needed for mortgage assistance to families purchasing NSP-acquired homes in the County's NSP target areas. Mortgage assistance provided may be up to 30 percent of the purchase price plus eligible closing costs based on the gap financing needed. The amount of subsidy will be based on the amount of "gap" financing needed to complete the sale purchase of the property (the difference between what amount of first mortgage the buyer qualifies for and what is needed to complete the purchase) but will not exceed 30 percent of the County purchase price plus eligible closing costs. A gap analysis will be prepared to establish the maximum amount of subsidy needed to ensure the housing is affordable for the buyer. The County's proposed NSP homebuyer program will define "affordability" as a mortgage payment that shall not exceed 43 percent (back end ratio) of household income. The affordable mortgage payment shall include Principal, Interest, Taxes and Insurance (PITI), and all re-occurring debt.

The mortgage assistance loan will be made available to all the families earning 51 - 120 percent of area median income. The loan will be in the form of a forgivable zero interest loan. If the home is resold within the first five years, the family must pay back the full amount of the assistance. Beginning in the sixth year, provided occupancy requirements are still being met, a percent of the NSP loan will be forgiven annually based on the amount of assistance provided and the affordability term required, until the affordability period requirement has been fulfilled and the total amount of the assistance loan is forgiven.

Regardless of the amount of the NSP subsidy, to meet the NSP affordability requirements for the County's acquisition, rehabilitation, sales and mortgage program, the loan term will be no less than fifteen (15) years, which is intended to reflect the maximum affordability period HUD requires under section 92.254(a)(4) of the HOME regulations. To ensure compliance with the above described recapture provisions, the County will require the NSP income eligible families to enter into a promissory note, secured by a deed of trust against the house, which will incorporate the above described requirements.

The County's NSP will be for owner-occupied single-family housing, in order to maximize neighborhood stabilization per HUD's guidelines. Resale restrictions will be placed on all NSP housing units sold. During the affordability period, the homes must remain owner-occupied homes. Resale during the affordability period must be to income-eligible families purchasing the home as their principal place of residence. The County will follow HUD's accepted resale regulations under the HOME Program as described at 92.254 (a)(5)(i).

**Grantee Activity Number:** NSP-A-0002  
**Activity Title:** Mortgage Assistance (LH - 25% Set-Aside)

**Activity Type:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

NSP-A

**Projected Start Date:**

03/17/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

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)

**Activity Status:**

Completed

**Project Title:**

Financing Mechanisms - Mortgage

**Projected End Date:**

09/17/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:**

\$ 1,020,591.81

**Other Funds**

\$ 0.00

**Total Funds**

\$ 1,020,591.81

**Proposed Beneficiaries**

# Owner Households

**Total**

7

**Low**

7

**Mod**

**Low/Mod%**

100.00

# of Households

7

7

100.00

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

7

# of Housing Units

7

**Activity is being carried out by Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

County of Fresno

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

County of Fresno

**Organization Type**

Local Government

**Proposed**

\$

**Location Description:**



Project work sites may be located throughout Fresno County unincorporated areas and the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. Specific addresses are not known at this time.

**Activity Description:**

Mortgage Assistance - the County plans on providing NSP funds as needed for mortgage assistance to families purchasing NSP-acquired homes in the County's NSP target areas. Mortgage assistance provided may be up to 30 percent of the purchase price plus eligible closing costs based on the gap financing needed. The amount of subsidy will be based on the amount of "gap" financing needed to complete the sale purchase of the property (the difference between what amount of first mortgage the buyer qualifies for and what is needed to complete the purchase) but will not exceed 30 percent of the County purchase price plus eligible closing costs. A gap analysis will be prepared to establish the maximum amount of subsidy needed to ensure the housing is affordable for the buyer. The County's proposed NSP homebuyer program will define "affordability" as a mortgage payment that shall not exceed 43 percent (back end ratio) of household income. The affordable mortgage payment shall include Principal, Interest, Taxes and Insurance (PITI), and all re-occurring debt.

The mortgage assistance loan will be made available to all the families earning at or below 50 percent of area median income. The loan will be in the form of a forgivable zero interest loan. If the home is resold within the first five years, the family must pay back the full amount of the assistance. Beginning in the sixth year, provided occupancy requirements are still being met, a percent of the NSP loan will be forgiven annually based on the amount of assistance provided and the affordability term required, until the affordability period requirement has been fulfilled and the total amount of the assistance loan is forgiven.

Regardless of the amount of the NSP subsidy, to meet the NSP affordability requirements for the County's acquisition, rehabilitation, sales and mortgage program, the loan term will be no less than fifteen (15) years, which is intended to reflect the maximum affordability period HUD requires under section 92.254(a)(4) of the HOME regulations. To ensure compliance with the above described recapture provisions, the County will require the NSP income eligible families to enter into a promissory note, secured by a deed of trust against the house, which will incorporate the above described requirements.

The County's NSP will be for owner-occupied single-family housing, in order to maximize neighborhood stabilization per HUD's guidelines. Resale restrictions will be placed on all NSP housing units sold. During the affordability period, the homes must remain owner-occupied homes. Resale during the affordability period must be to income-eligible families purchasing the home as their principal place of residence. The County will follow HUD's accepted resale regulations under the HOME Program as described at 92.254 (a)(5)(i).

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**Project # / Title: NSP-B / Acquisition/Purchase and Rehabilitation**

**Grantee Activity Number: NSP-B-0001**  
**Activity Title: General Acquisition, Rehab, Disposition**

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Project Number:**  
NSP-B

**Projected Start Date:**  
03/17/2009

**Project Draw Block by HUD:**  
Not Blocked

**Activity Draw Block by HUD:**

**Activity Status:**  
Completed  
**Project Title:**  
Acquisition/Purchase and Rehabilitation

**Projected End Date:**  
09/17/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date 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)

<b>Total Budget:</b>	\$ 7,247,139.08
<b>Other Funds</b>	\$ 0.00
<b>Total Funds</b>	\$ 7,247,139.08

**Proposed Beneficiaries**

# Owner Households

# of Households

Total	Low	Mod	Low/Mod%
			0.0
			0.0

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

**Total**

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Fresno County Neighborhood Stabilization Joint Powers Authority

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

County of Fresno

Fresno County Neighborhood Stabilization Joint Powers Authority

**Organization Type**

Local Government

Local Government

**Proposed**

\$ 318,324.46

\$

**Location Description:**

Project work sites may be located throughout Fresno County unincorporated areas and the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. Specific addresses are not known at this time.

**Activity Description:**

Acquisition/Rehabilitation: The activities will focus the areas of greatest need as identified in Table A, which includes the County's unincorporated jurisdiction and its eight partner cities. The activity will benefit persons with income of 51 - 120 percent of AMI as dictated per NSP guidelines. Continued affordability of NSP homes will be accomplished through deed restrictions. NSP homes will have resale restrictions, which are more fully described in Section C of this document and an affordability period of 15 years. These measures will ensure continued affordability.

The County of Fresno intends to purchase homes at a discount rate of 15 percent from local banks and real estate companies. The properties will be rehabilitated using the County's Affordable Housing Program Rehabilitation Standards which include compliance with all local codes and uniform building standards.



Disposition: The housing resale prices for families with incomes ranging between 51 percent and 120 percent AMI will be at the lower of either the County's cost to acquire the property or the appraised fair market value of the property. If necessary, a home may also be demolished and reconstructed if it is determined to be more cost effective to do so. The reconstructed property will be resold at the lower of either the cost to acquire the original structure or the appraised fair market value of the property.

Beneficiaries: Beneficiaries for this activity will be reported under Activity NSP-A-0001.

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**Grantee Activity Number:** NSP-B-0002  
**Activity Title:** General Acquisition, Rehabilitation, Disposition

**Activity Type:**  
 Rehabilitation/reconstruction of residential structures

**Project Number:**  
 NSP-B

**Projected Start Date:**  
 03/17/2009

**Project Draw Block by HUD:**  
 Not Blocked

**Activity Draw Block by HUD:**  
 Not Blocked

**Block Drawdown By Grantee:**  
 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)

**Activity Status:**  
 Completed

**Project Title:**  
 Acquisition/Purchase and Rehabilitation

**Projected End Date:**  
 09/17/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 4,027,561.75  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 4,027,561.75

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># Owner Households</b>				0.0
<b># of Households</b>				0.0

<b>Proposed Accomplishments</b>	<b>Total</b>
<b># of Singlefamily Units</b>	
<b># of Housing Units</b>	

**Activity is being carried out by Grantee:**  
 No

**Activity is being carried out through:**

**Organization carrying out Activity:**  
 Fresno County Neighborhood Stabilization Joint Powers Authority

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
County of Fresno	Local Government	\$ 153,646.76
Fresno County Neighborhood Stabilization Joint Powers Authority	Local Government	\$

**Location Description:**

Project work sites may be located throughout Fresno County unincorporated areas and the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. Specific addresses are not known at this time.

**Activity Description:**

Acquisition/Rehabilitation: The activities will focus the areas of greatest need as identified in Table A, which includes the County's unincorporated jurisdiction and its eight partner cities. The activity will benefit persons with income at or below 50 percent of AMI as dictated per NSP guidelines. Continued affordability of NSP homes will be accomplished through deed restrictions. NSP homes will have resale restrictions, which are more fully described in Section C of this document and an affordability period of 15 years. These measures will ensure continued affordability.

The County of Fresno intends to purchase homes at a discount rate of 15 percent from local banks and real estate companies. The properties will be rehabilitated using the County's Affordable Housing Program Rehabilitation Standards which include compliance with all local codes and uniform building standards.

Disposition: The housing resale prices for families with incomes at or below 50 percent AMI will be at the lower of either the County's cost to acquire the property or the appraised fair market value of the property. Realizing the difficulty of providing affordable mortgages for families at or below 50 percent of area median income, the County may need to resell the acquired-rehabbed properties at a discounted price not to exceed a reduction of 25 percent of the County's initial acquisition cost, if necessary to make the mortgage payments affordable for this income group. If necessary, a home may also be demolished and reconstructed if it is determined to be more cost effective to do so. The reconstructed property will be resold at the lower of either the cost to acquire the original structure or the appraised fair market value of the property.

Beneficiaries: Beneficiaries for this activity will be reported under Activity NSP-A-0002.

**Project # / Title: NSP-F / Administration and Planning Costs**

**Grantee Activity Number: NSP-F, Post-Closeout**  
**Activity Title: NSP Administration, Post-Closeout**

**Activity Type:**

Administration

**Project Number:**

NSP-F

**Projected Start Date:**

09/17/2013

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

**Activity Status:**

Under Way

**Project Title:**

Administration and Planning Costs

**Projected End Date:**

09/17/2043

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget: \$ 259,579.69**





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

**Other Funds** \$ 0.00  
**Total Funds** \$ 259,579.69

**Environmental Assessment:**  
COMPLETED

**Benefit Report Type:**  
NA

**Activity is being carried out by Grantee:**  
Yes

**Activity is being carried out through:**  
Grantee Employees

**Organization carrying out Activity:**  
County of Fresno

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
County of Fresno	Local Government	\$ 259,579.69

**Location Description:**

Project work sites are located throughout Fresno County unincorporated areas the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma.

**Activity Description:**

Administration: Will include all costs to adequately administer and monitor loans funded with NSP.



**Grantee Activity Number:** NSP-F-0001  
**Activity Title:** NSP Administration

**Activity Type:**

Administration

**Project Number:**

NSP-F

**Projected Start Date:**

03/17/2009

**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:**

COMPLETED

**Benefit Report Type:**

NA

**Activity Status:**

Completed

**Project Title:**

Administration and Planning Costs

**Projected End Date:**

09/17/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:**

\$ 1,258,379.01

**Other Funds**

\$ 0.00

**Total Funds**

\$ 1,258,379.01

**Activity is being carried out by Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

County of Fresno

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

County of Fresno

**Organization Type**

Local Government

**Proposed**

\$

**Location Description:**

Project work sites may be located throughout Fresno County unincorporated areas and the eight participating cities of Coalinga, Fowler, Kerman, Kingsburg, Mendota, Reedley, Sanger and Selma depending on the location of the affected properties the County purchases with NSP funds. Specific addresses are not known at this time.

**Activity Description:**

Administration: Will include all costs to adequately administer and implement activities proposed for funding with



NSP, includes general program management and oversight. Administration will enable the County to implement the other activities proposed that will stabilize neighborhoods with greatest need as identified in Table A of this document and families that are at or below 50 percent of area median income.

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## Action Plan Comments:

MICHAEL 12345

MICHAEL 12345

Reviewer - Rejected to allow County to make changes.

Reviewer - Grantee ignored previous comments made on 3/15/16.

## Action Plan History

Version	Date
B-08-UN-06-0003 AP#1	06/27/2016
B-08-UN-06-0003 AP#2	03/15/2016
B-08-UN-06-0003 AP#3	11/01/2012
B-08-UN-06-0003 AP#4	03/19/2012
B-08-UN-06-0003 AP#5	12/23/2011
B-08-UN-06-0003 AP#6	02/10/2011
B-08-UN-06-0003 AP#7	08/28/2009

