

# Action Plan

**Grantee:** Richmond, CA

**Grant:** B-08-MN-06-0006

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<b>Grant Amount:</b>	\$ 3,346,105.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL</b>	\$ 700,000.00
<b>Total Budget:</b>	\$ 4,046,105.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Areas of Greatest Need:

The data indicates that on average 7% of all homes in the City have been foreclosed on and that an additional 30% of homes have been financed with a subprime mortgage. Moving forward, the data predicts a 28.6% rise in foreclosure rates, from 7% to 9% over the next eighteen months. The most impacted zip code is 94801, which currently has the highest percentage of foreclosed homes and subprime mortgages, with almost 50% of all homes falling into one of these two categories. The second most impacted zip code is 94806, with 39% of all homes foreclosed or subprime mortgage financed. Zip code 94804 is the third most impacted at the moment, with 35% of all homes foreclosed or subprime mortgage financed.

### Distribution and and Uses of Funds:

The Neighborhood Stabilization Program (NSP) funds will be used to stabilize areas of greatest need that have suffered from foreclosures and abandonment. Funds will be used to purchase, rehabilitate, and redevelop foreclosed and abandoned homes and residential properties to prevent blight and create affordable housing opportunities. Funds will also be used to provide financing to income eligible homebuyers as well. NSP funds will be spent within the City of Richmond in zip codes 94801, 94804 and 94806 (Census tracts 3671, 3750, 3650.01, 3650.02, 3760, 3770, 3790, 3800, 3810). These are the areas of greatest need in Richmond, 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 City of Richmond as likely to face a significant rise in the rate of home foreclosures.

### Definitions and Descriptions:

The City of Richmond will use NSP regulations that allow a third alternative: Presumed affordability of homes in the affected neighborhoods. Presumed affordability will be used as the affordability mechanisms in all High Priority Areas when the home is sold at a market price.

Properties in the High Priority Areas are continuing to sell at values less than the City of Richmond. Richmond has significant inventory of vacant homes, many of which are affordable without subsidies or assistance to middle income purchasers. The current market is providing more choice in housing types and locations than has been seen in over ten years. Home sellers with existing resale restrictions are not finding buyers willing to enter into resale restrictions, even in highly desirable neighborhoods[1]. The resale restriction is the only reason given by real estate agents as the negative feature of these homes. Therefore, requiring resale restrictions in the neighborhoods that are facing significant decline due to the foreclosure crisis will effectively prohibit home sales.

As of June 2010, 43% of Richmond homes listed in the MLS are either shortsale, bank owned, or in foreclosure. Based on our search of Real Estate Owned (REO) properties over the last 6 months, REO properties are dramatically less than the Richmond Median Sales Price. The High Priority Areas in particular have average REO prices as low as \$79,000 in the 94806 zip code and as high as \$133,000 in the 94804 zip code. Richmond home sales have fluctuated within the past 2 years. MLS listings show that sales prices within the High Priority Areas are above Richmond Median Sales Price. However, the average days on the market are nearly twice as long. A more accurate depiction of the housing market will be the REO properties that have been listed and sold.

An analysis of the High Priority areas showed that homes in these neighborhoods are, in relation to the larger Richmond market, comparable in size and year built yet still modest in price, and are projected to remain so over the life of the affordability period. Based on 2000 Census Data and recent 2010 sales, the High Priority Neighborhoods remain affordable and have declining values. Home ownership rates average 40 percent compared to the City average of nearly 60 percent. Part, or all, of each of the High Priority areas are designated redevelopment areas (RDAs). The RDAs use tax increment financing to reinvest in the communities, improve infrastructure, and facilitate residential and commercial



investment.

To determine affordability over time, each target area was analyzed as follows:

- a. Median sales price change over time[2]. The average annual increase from 2000 to 2010 was applied to the 2010 median sales price and increased by the same percentage for ten years.
- b. The average annual increase in the HUD median income for the same period was used to anticipate future income changes.
- c. The amount of mortgage a middle income buyer (100% AMI for this analysis) could afford was calculated using FHA underwriting standards, including an allowance for FHA insurance payment.

This analysis showed that homes in the High Priority areas are likely to stay affordable to moderate, income buyers over time.

[1] Owners of resale restricted homes comparable areas such as Oakland are demonstrating good marketing efforts, but are not receiving purchase offers.

[2] Median sales price information was available by zip code, which includes an area larger than the High Priority areas. This resulted in higher median prices being used in the analysis. Therefore, the High Priority areas are more affordable than the analysis shows.

### Low Income Targeting:

Richmond will meet its Set Aside requirements through specific partners that include: MissionRich, LKH and Parkway/CHDC.

### Acquisition and Relocation:

62.53% of NSP funds will be used for acquisition and rehabilitation.

### Public Comment:

Staff Comment 10.10.11- HUD directed us to indicate a more descriptive Activity Type. We successfully changed Activity Type in all activities except for Activity 6.3. The systems continued rejecting changes to this activity even after the QPR were cleaned/cleared. HUD staff has directed us to submit this revised Action Plan with this note to document difficulties with Activity 6.3. Thanks.

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	NSP Administration	1 NSP1 Administration COR	Administration -Administration
3	Acquisition/Rehab/Disposition	3.1 NSP1 Acq KLH Group LLC	Acq KLH GROUP
		3.2 NSP1- Acq Parkway	Acq Parkway/CHDC LMMI
		3.3 NSP1-Acq MissionRich	NSP Acq MissionRich LMMI
		3.4 NSPA 1Acq Community	Acq Cmty First LMMI
		3.6 COR Rehab ONLY	SA 3.6 COR Rehab ONLY
		SA3.5 COR Acquisition ONLY	SA3.5 COR Acquisition ONLY
7	Set Aside	6.1 NSP1 R Acq Set Aside-	Set Aside
		6.2 NSP 1 Acq/SA KLH	Aquisition Set Aside KLH
		6.3 NSP 1 Parkway CHDC SetAcq Parkway/CHDC SA	
9999	Restricted Balance	Cancelled	null

## Activities



<b>Grantee Activity Number:</b>	<b>1 NSP1 Administration COR</b>
<b>Activity Title:</b>	<b>Administration -Administration</b>

**Activity Type:**

Administration

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

NSP Administration

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/17/2014

**National Objective:**

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

**Total Budget:**

\$ 430,811.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 430,811.00

**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

NA

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

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

Richmond Neighborhood Stabilization Program

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

Richmond Neighborhood Stabilization Program

**Organization Type**

Unknown

**Proposed**

\$ 430,811.00

**Location Description:**

This activity has no location directly associated with it. Project will indirectly benefit all other NSP-funded activities. The offices of Richmond Neighborhood Stabilization Program is 440 Civic Center Plaza, Richmond CA 94804.

**Activity Description:**

This activity addresses all three of Richmond's areas of greatest need. Assisted households will all be income-qualified persons, including those below 50% of area median income. Each activity administered will ensure continued affordability as described in Sections G (3) through (7) below. Activities will include planning, outreaching to mortgagees, structuring and administering financing, managing the NSP activities and projects as described below, issuing RFPs/Qs for appraisers, contractors, property managers, and/or developers, and reporting and monitoring on the NSP activities.



<b>Grantee Activity Number:</b>	<b>3.1 NSP1 Acq KLH Group LLC LMMI</b>
<b>Activity Title:</b>	<b>Acq KLH GROUP</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

3

**Projected Start Date:**

06/30/2009

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab/Disposition

**Projected End Date:**

06/30/2014

**Total Budget:** \$ 327,900.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 327,900.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	3		3	100.00
# of Households	3		3	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	3
# of Housing Units	3
# of Properties	3

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

KL Hampton Group LLC

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
KL Hampton Group LLC	Unknown	\$ 358,740.49

**Location Description:**

The RNSP's focus will be zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity intends to turn around abandoned/foreclosed homes to avoid/minimize blight while also providing quality affordable housing for low-, moderate-, and middle-income households in all three of Richmond's areas of greatest need. As stated before, Richmond Will presume affordability of homes in the affected areas. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental

properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes.

The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities.

RNSP will hire contractors through an RFQ/P process to rehabilitate purchased properties up to Housing Quality Standards and to incorporate solar and green building methods where possible. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes.

<b>Grantee Activity Number:</b>	<b>3.2 NSP1- Acq Parkway CHDC LMMI</b>
<b>Activity Title:</b>	<b>Acq Parkway/CHDC LMMI</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

3

**Projected Start Date:**

06/30/2009

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab/Disposition

**Projected End Date:**

06/30/2014

**Total Budget:** \$ 914,500.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 914,500.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	5		5	100.00
# of Households	5		5	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	5
# of Housing Units	5
# of Properties	5

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

Community Housing Development Corp (LLMI Rehab)

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Community Housing Development Corp (LLMI Rehab)	Unknown	\$ 889,500.00

**Location Description:**

The RNSP's focus will be zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity intends to turn around abandoned/foreclosed homes to avoid/minimize blight while also providing quality affordable housing for low-, moderate-, and middle-income households in all three of Richmond's areas of greatest need. As stated before, Richmond Will presume affordability of homes in the affected areas. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental

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The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities.

RNSP will hire contractors through an RFQ/P process to rehabilitate purchased properties up to Housing Quality Standards and to incorporate solar and green building methods where possible. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes.

<b>Grantee Activity Number:</b>	<b>3.3 NSP1-Acq MissionRich LMMI</b>
<b>Activity Title:</b>	<b>NSP Acq MissionRich LMMI</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

3

**Projected Start Date:**

10/01/2009

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab/Disposition

**Projected End Date:**

09/30/2014

**Total Budget:** \$ 527,700.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 527,700.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	4	4		100.00
# Owner Households	1	1		100.00
# of Households	5	5		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	1
# of Multifamily Units	4
# of Housing Units	5
# of Properties	5

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

MissionRich Development, LLC

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
MissionRich Development, LLC	Unknown	\$ 615,000.00

**Location Description:**

The RNSP's focus will be predominantly in zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity intends to turn around abandoned/foreclosed homes to avoid/minimize blight while also providing quality affordable housing for low-, moderate-, and middle-income households in all three of Richmond's areas of greatest need. As stated before, Richmond Will presume affordability of homes in the affected areas. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-

qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes.

The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities.

RNSP will hire contractors through an RFQ/P process to rehabilitate purchased properties up to Housing Quality Standards and to incorporate solar and green building methods where possible. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes.

<b>Grantee Activity Number:</b>	<b>3.4 NSPA 1Acq Community First LMMI</b>
<b>Activity Title:</b>	<b>Acq Cmty First LMMI</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

3

**Project Title:**

Acquisition/Rehab/Disposition

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/17/2014

**National Objective:**

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

**Total Budget:** \$ 460,000.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 460,000.00

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	3		3	100.00
# of Households	3		3	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	3
# of Housing Units	3
# of Properties	3

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

Community First

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Community First	Non-Profit	\$ 400,000.00

**Location Description:**

The RNSP's focus will be predominantly in zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity intends to turn around abandoned/foreclosed homes to avoid/minimize blight while also providing quality affordable housing for low-, moderate-, and middle-income households in all three of Richmond's areas of greatest need. As stated before, Richmond Will presume affordability of homes in the affected areas. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental

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The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities.

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**Grantee Activity Number:** 3.6 COR Rehab ONLY  
**Activity Title:** SA 3.6 COR Rehab ONLY

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

3

**Projected Start Date:**

09/01/2012

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab/Disposition

**Projected End Date:**

04/30/2014

**Total Budget:** \$ 50,000.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 50,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	1		1	100.00
# of Households	1		1	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	1
# of Housing Units	1
#Units exceeding Energy Star	1
#Low flow toilets	1
#Dishwashers replaced	1
#Clothes washers replaced	1
#Refrigerators replaced	1
#Light fixtures (outdoors) replaced	1
# of Properties	1

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Richmond

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
City of Richmond	Local Government	\$ 50,000.00

**Location Description:**

Rehab at 10 B 6th Street.

**Activity Description:**

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<b>Grantee Activity Number:</b>	<b>6.1 NSP1 R Acq Set Aside- Mission Rich</b>
<b>Activity Title:</b>	<b>Set Aside</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

7

**Projected Start Date:**

04/01/2010

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Set Aside

**Projected End Date:**

06/30/2013

**Total Budget:**

\$ 490,840.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 490,840.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	3	3		100.00
# of Households	3	3		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	
# of Properties	3

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

MissionRich Development, LLC

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
MissionRich Development, LLC	Unknown	\$ 363,956.23

**Location Description:**

The RNSP's focus will be predominantly zip codes: 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop (census tracts: 3650.01, 3650.02, 3671, 3770, 3790, 3880 and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity meets NSP's 25% Set Aside Requirement. This activity addresses the need to turn around abandoned or foreclosed homes to avoid or minimize blight and to provide quality affordable housing for low, moderate and middle income hh. Assisted households will all be income-qualified persons, including those below 50% of area median income. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price

that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties.

Richmond will presume affordability of homes in the target areas.

. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes. The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities. RNSP will hire contractors through an RFQ/P process to rehabilitate purchased properties up to Housing Quality Standards and to incorporate solar and green building methods where possible. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes. The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods.

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<b>Grantee Activity Number:</b>	<b>6.2 NSP 1 Acq/SA KLH</b>
<b>Activity Title:</b>	<b>Aquisition Set Aside KLH</b>

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

7

**Project Title:**

Set Aside

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/17/2014

**National Objective:**

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

**Total Budget:**

\$ 141,260.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 141,260.00

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

Total	Low	Mod	Low/Mod%
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# Renter Households

2			0.00
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# of Households

2			0.00
---	--	--	------

**Proposed Accomplishments**
**Total**

# of Multifamily Units

2

# of Housing Units

2

# of Parcels acquired voluntarily

2

# of Properties

2

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

KL Hampton Group LLC

**Proposed budgets for organizations carrying out Activity:**
**Responsible Organization**
**Organization Type**
**Proposed**

KL Hampton Group LLC

Unknown

\$ 141,260.00

**Location Description:**

The RNSP's focus will be predominantly in zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity meets NSP's 25% Set Aside Requirement. This activity addresses the need to turn around abandoned or foreclosed homes to avoid or minimize blight and to provide quality affordable housing for low, moderate and middle income hh. Assisted households will all be income-qualified persons, including those below 50% of area median income. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price



that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties.

Richmond will presume affordability of homes in the target areas.

RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes. The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods. RNSP will purchase abandoned and foreclosed-upon properties at a discount from the fair market value, in conformance with Section II.Q of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act (HERA), 2008. RNSP intends to follow the discount methodology discussed in Section IIQ, namely to set purchase prices below the fair market value in an amount reflecting the expected carrying costs the seller/mortgagee is saving by selling to RNSP. Therefore, the average discount portfolio goal across all NSP-purchased properties will be at least 1%. To the extent that a third party such as a Community Based Development Organization (CBDO) or a nonprofit or for-profit housing developer commits its own or other HERA funds to purchase, rehabilitate and resell such properties, RNSP may leverage funds by contributing to their activities. RNSP will hire contractors through an RFQ/P process to rehabilitate purchased properties up to Housing Quality Standards and to incorporate solar and green building methods where possible. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price that will recover the development cost, RNSP may retain ownership for up to five years and rent the unit to a qualified household on an annual lease basis, with income levels recertified annually. RNSP will contract with a third-party property manager for all such rental properties. If RNSP sells a unit for below its development cost, a silent second loan and regulatory agreement will be recorded against the unit for between 5 and 45 years depending on the size of gap between the development costs and the sales price, due upon sale and ensuring the affordability of the unit. RNSP intends to contract with HEPA to provide homebuyer counseling for all buyers of NSP-supported homes. The RCRA has received a CalHOME grant that it will use in part to rehabilitate homes, allowing for greater leveraging of the NSP funds for the stabilization of impacted neighborhoods.

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<b>Grantee Activity Number:</b>	<b>6.3 NSP 1 Parkway CHDC Set Aside</b>
<b>Activity Title:</b>	<b>Acq Parkway/CHDC SA</b>

**Activity Type:**

Acquisition - general

**Project Number:**

7

**Projected Start Date:**

03/18/2009

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Set Aside

**Projected End Date:**

03/17/2014

**Total Budget:**

\$ 518,000.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 518,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	4	4		100.00
# of Households	4	4		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Multifamily Units	4
# of Housing Units	4
# of Parcels acquired voluntarily	4
# of Properties	4

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

No

**Activity is being carried out through:**
**Organization carrying out Activity:**

Community Housing Development Corp (LLMI Rehab)

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Community Housing Development Corp (LLMI Rehab)	Unknown	\$ 496,367.20

**Location Description:**

The RNSP's focus will be predominantly in zip codes 94801, 94804 and 94806 which includes the neighborhoods of North Richmond, Wood and Iron Triangle, Santa Fe, Coronado and Pullman Plaza, Parchester and Hilltop/Fairmede (census tracts 3650.01, 3650.02, 3671, 3760, 3770, 3790, 3800, and 3810). Purchased homes will be located in identified areas of greatest need per the City's NSP substantial amendment.

**Activity Description:**

This activity meets NSP's 25% Set Aside Requirement. This activity addresses the need to turn around abandoned or foreclosed homes to avoid or minimize blight and to provide quality affordable housing for low, moderate and middle income hh. Assisted households will all be income-qualified persons, including those below 50% of area median income. The duration of assistance depends on the length of time required to acquire, rehabilitate and sell or rent the home. Residences will be sold at below market rate to income-qualified buyer to the extent sales are supported by the market. If a unit can not be sold for a price

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**Grantee Activity Number:** Cancelled  
**Activity Title:**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

9999

**Projected Start Date:**

03/18/2009

**National Objective:**

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

**Environmental Assessment:**

**Activity Status:**

Cancelled

**Project Title:**

Restricted Balance

**Projected End Date:**

03/17/2014

**Total Budget:** \$ 0.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 0.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# of Households

**Total**

**Low**

**Mod**

**Low/Mod%**

0.0

**Proposed Accomplishments**

# of Properties

**Total**

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Community Housing Development Corp (LLMI Rehab)

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

**Responsible Organization**

Community Housing Development Corp (LLMI Rehab)

**Organization Type**

Unknown

**Proposed**

\$ 0.00

**Location Description:**

**Activity Description:**

**Grantee Activity Number:** SA3.5 COR Acquisition ONLY  
**Activity Title:** SA3.5 COR Acquisition ONLY

**Activity Type:**

Acquisition - general

**Project Number:**

3

**Projected Start Date:**

08/01/2012

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab/Disposition

**Projected End Date:**

04/30/2013

**Total Budget:** \$ 130,552.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 130,552.00

**Benefit Report Type:**

NA

**Proposed Beneficiaries**

# of Permanent Jobs Created

**Total**

1

**Low**

1

**Mod**

**Low/Mod%**

100.00

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

1

# of Housing Units

1

# of Parcels acquired voluntarily

1

# of Properties

1

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Richmond

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

**Responsible Organization**

City of Richmond

**Organization Type**

Local Government

**Proposed**

\$ 130,552.00

**Location Description:**

10 B 6th Street. Located across from Lincoln Elementary. Property is ideal for faculty or staff from Lincoln. Nicely kept gated community. Oasis of peace in a challenged community.

**Activity Description:**

Acquisition of property. Foreclosed.



## Action Plan Comments:

- Reviewer - Per grantee - Ana Cortez stated that the only updates were to the National Objectives
- Reviewer - Per Ana at the city the only change was a reduction in estimated program income.
- Reviewer - Grantee finally completed public comment period and submitted proof of publication and documentation to support presumed affordability. -RS
- Reviewer - Rejected to allow for changes.-RS
- Reviewer - Approved to allow for QPR submission. Major issues have been corrected. I will work with grantee to make minor revisions. -RS
- Reviewer - For the 2 Redevelopment Activities, the National Objectives do not match the Accomplishments. -RS
- Reviewer - Less than 25% of funds set aside for LH25. -RS
- Reviewer - Accomplishment numbers don't add up. Rejecting to allow for revision. RS
- Reviewer - Rejected to allow grantee to make corrections to Accomplishments. RS
- Reviewer - Action Plan rejected. Grantee needs to revise Accomplishments and add Activity Descriptions.RS
- Reviewer - Rejected to allow grantee to make changes to activities. RS
- Reviewer - Looks good. Consistent with original submission.
- Reviewer - Per CPD Rep's advice, grantee zeroed out the budget for this Activity until the subgrantee has been identified and funds awarded.
- Reviewer - Per CPD Rep's advice, grantee zeroed out the budget for this Activity until the subgrantee has been identified and funds awarded.
- Reviewer - Grantee needs to revise Activities by CDBG eligible activity, responsible organization, and National Objective.

## Action Plan History

Version	Date
B-08-MN-06-0006 AP#1	10/30/2009
B-08-MN-06-0006 AP#2	02/14/2013



B-08-MN-06-0006 AP#3  
B-08-MN-06-0006 AP#4  
B-08-MN-06-0006 AP#5

10/07/2011  
10/18/2012  
07/27/2012

