

Action Plan

Grantee: Visalia, CA

Grant: B-08-MN-06-0011

LOCCS Authorized Amount:	\$ 2,388,331.00
Grant Award Amount:	\$ 2,388,331.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 3,500,000.00
Total Budget:	\$ 5,888,331.00

Funding Sources

Funding Source	Funding Type
NSP	Other Federal Funds

Narratives

Areas of Greatest Need:

1. Housing and Recovery Act of 2008 (HERA) for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. Neighborhood Stabilization Program (NSP, treated as CDBG funds. Priority to areas of greatest need 1) with greatest percentage of foreclosures, 2) with the highest percentage of homes financed with sub prime loans; 3) identified as likely to face a significant rise in the reate of home foreclosures. NSP Substantial Amendment- Public Facility - Eligible Use "E". Area of greatest need: NSP1 Boundaries.

Distribution and and Uses of Funds:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) - \$1,550,000 and NSP Acquisition, Rehabilitation and Resell Program. (Income at or below 50% of the AMI) \$600,000 (597,082.75 minimum).The required 25 % set aside: Grant funds amount of \$261,825.32 (0011-B) and Program Income in the amount of \$335,257.43 shall be utilized to fill the gap to comply with the required 25% set aside.

Funding approved for Habitat for Humanity (HfH) to acquire foreclosed homes, rehabilitate and resell to very low income households. Part of the 25% set aside funding for households at or below 50% ami.

May 15, 2012: 210 NW 2nd funding returned. \$338,174.68 placed back into the 25% set aside Acquisition, resell to households up to 50% ami.

Minor Amendments, including option to sell to Non-profit agency or rent, and funding adnd agreement amendments between City and HfH are included.

Substantial Amendment- added Eligible Use "E" Redevelopment Vacant Property- Garden Street. Public Facility as transitional/bridge housing for homeless or at risk of homelessness. Correlated eligible activity from the CDBG Entitlement Regulation- for the use of the NSP funding is: 24 CFR 570.201 (c) Public Facilities and improvements.

Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law. Under the Federal Register / Vol. 73, No. 194 / Monday, October 6, 2008 / Notices, "Blighted structure", is defined as: "A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare." Under the City of Visalia, City Municipal Code, Chapter 15.44, Housing Standards, "Blighted Structures" may be interpreted as the definition under 15.44.020, "Housing quality standards" which reads: "means the existence of any buildings or structures which are structurally unsafe or which constitute a fire hazard or which otherwise adversely affect the health, safety or



wellbeing of a human life, or which in relation to existing use constitute a hazard to safety or health or public welfare by reason of inadequate maintenance, dilapidation, obsolescence, fire or disaster damage, rodent infestation, or abandonment, as defined in Section 17920.3 of the California Health and Safety Code." Under the State of California, Health and Safety Code, Section 17920.3 reads: "Any building or portion thereof including any dwelling unit, guestroom or suite of rooms, or the premises on which the same is located, in which there exists any of the following listed conditions to an extent that endangers the life, limb, health, property, safety, or welfare of the public or the occupants thereof shall be deemed and hereby is declared to be a substandard building". (2) Definition of "affordable rents." The City will follow the requirements of the program funding and ensure compliance with the Fair Market Rents and utilize the HOME Program Rent Limits for the NSP Program. These requirements were established at the inception of the program and required by HUD to obtain the 2008 HERA Act funding. Visalia-Porterville, CA MSA Also included are the HOME Program Rent limits for reference. HOME Rent Limits Requirement: Qualification as Affordable Housing: Rental Housing - 24 CFR 92.252 Housing is considered to be affordable if gross housing costs (gross = rent + utility) are 30% or less of a person's income. For assisted housing projects, rents are set to be affordable to households at specific levels (Very Low Income, Low Income, etc.). Rents are adjusted higher for larger units and lower for smaller units according to formulas set by the Federal government. Rent limits for assisted housing are for gross rents. The actual rents charged to tenants are calculated by subtracting utility allowances from the gross rents. It is not the City of Visalia's initial intent to purchase rental properties, however, if the market dictates the need, rental properties will be considered and the City will follow the regulation based upon funding sources. (3) Describe how the grantee will ensure continued affordability for NSP assisted housing. Upon purchasing homes at a discount rate (up to 1% discount from the appraised market value), there will be a difference in the cost and value. Also, if the property requires rehabilitation, to bring the property into compliance with State and Local laws, additional NSP funding will be invested into the property. Upon preparing for the sale of the home, the purchase price will comply with the requirements of HERA and the NSP regulations. The borrower will obtain a first mortgage, at an affordable rate and terms from a local lender. The borrower may carry a second mortgage. An affordability covenant will be placed upon the property for a period of 15 years If a borrower is unable to obtain a first mortgage the City shall act as the Beneficiary (carrying the first mortgage). The loan will be serviced and monitored through the City's loan servicing agency, AmeriNational Community Services, Inc. NSP

Low Income Targeting:

Funding was reserved to assist in purchasing properties, in areas of greatest need, and then rehabilitated, thereafter, resold to families with income not exceeding 50% of AMI. City council approved an agreement with Habitat for Humanity December 19, 2011, November 2012, November 17, 2014 and January 17, 2017 for funding to acquire foreclosed homes, rehabilitate, and resell to very low (50% ami anda below) and also above 50% to 120% AMI households.

As per recent notification by HUD regional office, the October 19, 2010 rule where 25% of PI received moving forward is to be added to the set aside, has now been revised to state that 25% of all PI from the inception of the program is to be set aside for households at or below 50% ami. The total set aside requirement as of December 31, 2012 is: \$1,293,907.28. Of this amount, both City staff and Habitat are working to acquire, rehabilitate and resell homes to households at or below 50% of the area median income.

NSP Substantial Amendment- for Public Facility (Garden Street Project):

The public facility will meet the LMMA national objective. The project will be within an NSP Targeted area, for households at or below 120% of the area median income. The facility will be used by NSP1 eligible beneficiaries. Majority if not all clients will have income certifications from the non-profit.

Acquisition and Relocation:

It is not the City's initial goal to utilize NSP funding to demolish substandard housing, however, if the market indicates that there is a higher demand and need, the city will consider this approach with revolved NSP funding.

(1) Activity Name: City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) and (Areas 0-50% AMI)
(2) Activity Type: (include NSP eligible use & CDBG eligible activity) The Activity type is "Purchase and Rehabilitation". The identified NSP eligible uses and the CDBG eligible activities are as follows:

- NSP: §2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed, in order to sell, rent, or redevelop such homes and properties; and
CDBG: 24 CFR 570.201(a) Acquisition; (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
And "Financing Mechanism",

- NSP: §2301(c)(3)(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate- income homebuyer

CDBG: As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., 120% of area median income).

Additional Activity Type Acquisition, construction, reconstruction of public facilities (Technical Amendment)

NSP Substantial Amendment- Garden Street Project:

the public facility will be acquired by a Non-profit agency, or an affiliate entity, for operations. The non-profit agency will rehabilitate the facility for transitional and/or bridge housing. They will also work with a service provider to provide supportive services to the tenants. The number of units- one (1) and there is no intention to demolish units.



Public Comment:

The original 2008 Action Plan Amendment: Staff coordinated a public community meeting, held on Wednesday, October, 29, 2008, held at the City Hall, Council Chambers from 6:00 p.m. to 7:30 p.m. The community's four (4) committees, listed below, and the public in general were invited to attend. As identified in the Citizens Participation Plan, the community committees, Citizens Advisory Committee, Northern Visalia Neighborhood Committee, Disability Advocacy Committee and Washington for a Better Community Committee, along with the general public. In addition to inviting the public and committees, Staff published the public hearing notice in the Visalia Times Delta and El Sol. The notice was also posted at City Hall East, West and North, Post Office and Public Library.

Minor Amendments: Are published on the City's website and are provided in memo form .If any public comment is received it is noted.

Council approved, December 19, 2011, \$480k of the 25% set aside for Habitat for Humanity to acquire, rehab and resell to very low income households.

Council reviewing amendment to agreement between Habitat for Humanity and City for a minor technical amendment to their agreement (May 21, 2012)

City Council reviewed and approved amendments with Habitat for Humanity. reflected on the website. See Habitat for Humanity activity for copies of Council approvals and various amendments to the agreement.

reduced balance in activity 0011-A to actual.6-28-16

Substantial Amendment-January 17, 2017: Added \$180k to Habitat for Humanity, and also allow minor amendment by memo if additional pi remains; Habitat may also assist households up to 120% ami. See attached Council report

Substantial Amendment- Added Public Facility (activity). public hrg and noticing completed. 9-17-18; Loan agreements executed August 23, 2019.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance		<i>No activities in this project</i>
ADMIN	Administration		<i>No activities in this project</i>
Eligible Use "E"-	0011-D- Garden Street Public	0011-D Public Facility	Transitional /Bridge Housing 1627 S Garden
NSP -B	Acquisition, rehab, resell	0011-A	0011-A
		0011-A- HfH NSP 120%	0011-A HfH NSP 51% to 120%
		0011-B	0011-B
		0011-B- HFH NSP	0011-B HFH NSP 25% set aside
		0011-B-Multi 210 NW2nd	0011-B-Multi 210 NW2nd
		0011-C	0011-C
		0011-D	0011-D Garden Street Public Facility



Activities

Project # / Eligible Use "E"-Redevelopment Vacant Property / 0011-D-

Grantee Activity Number: 0011-D Public Facility
Activity Title: Transitional /Bridge Housing 1627 S Garden

Activity Type:
 Acquisition, construction, reconstruction of public facilities

Project Number:
 Eligible Use "E"-Redevelopment Vacant Property

Projected Start Date:
 09/01/2018

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

Activity Status:
 Under Way

Project Title:
 0011-D- Garden Street Public Facility

Projected End Date:
 12/31/2020

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 225,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 225,000.00

Total Funds: \$ 450,000.00

Benefit Report Type:
 Area Benefit (Census)

Proposed Accomplishments
 # of public facilities

Total
 1

LMI%:	57
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Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 Self Help Enterprises, Inc

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Self Help Enterprises, Inc	Non-Profit	\$ 225,000.00



Funding Source Name

NSP

Matching Funds

No

Funding Amount

\$ 225,000.00

Location Description:

Property is located within the NSP1 target area, with a proposed location on 1627 S. Garden Street in the NSP1 target area. (Census Tract 17.01)

Activity Description:

NSP1 funds will be used for the acquisition /rehabilitation of a 22-bed public facility for transitional /respite bridge housing facility for low income adults who are homeless or at risk of homelessness under the Eligible Use "E"- Redevelopment vacant properties. 15 of the 22 beds are designated for Visalia homeless or at risk of homelessness. The facility will be used by persons with income who meet the NSP1 income limits at or below 120% area median income. The Owner will be required to certify the incomes of the tenants at the time of occupancy, which the City will review for compliance. A 20 year covenant has been recorded against the property.

Environmental Assessment: COMPLETED

Environmental

Program	ER ID	Year of	Project Name	Review Type	Responsible	Partner	ER Status	Level of Review	Completed Date	City	State
Neighborhood Stabilization Program	900000010054945	2018	NSP-Self-Help-1627-S-Garden	Part 58	VISALIA		Completed	CEST_CONV_EXEMP	07/11/2018	Visalia	California

Activity Supporting Documents

Document Attach B NSP1 Amendment Add Use E Public Facility 2018 Proposed.pdf

Document Final Approved NSP Amendment 9.17.18.pdf

Document Garden Street CDBG.NSP CC Approval.pdf

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

Grantee Activity Number: 0011-A

Activity Title: 0011-A

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP -B

Projected Start Date:

03/01/2009

Project Draw Block by HUD:**Activity Status:**

Completed

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Project Draw Block Date 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

Activity Draw Block Date by HUD:

Total Budget:	\$ 2,827,611.07
Most Impacted and Distressed Budget:	\$ 0.00
Other Funds:	\$ 0.00
Total Funds:	\$ 2,827,611.07

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	10		10	100.00
# of Households	10		10	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	10
# of Housing Units	10
# of Properties	10

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Visalia

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Visalia	Local Government	\$ 2,827,611.07

Location Description:

Within the City of Visalia city limits. Areas of concentration are those with the greatest need, which include two neighborhoods in which we are focusing our initial energies toward revitalization. The two targeted neighborhoods are Washington School and Lincoln Oval Park neighborhoods. The Washington School neighborhood lies within Census Tract areas 17.01.1, 17.01.2, 17.01.3, 17.01.4, 17.01.5, 18.00.1, 18.00.2. The second area Lincoln Oval Park neighborhood, which lies within Census Tract areas, including block groups 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3. This is another area in which the city has been concentrating its efforts to address the needs of families in the community. Efforts include community outreach in collaboration with our Park & Recreation, Police, Engineering and Neighborhood Preservation Departments. Census Tract 11.00.4 is immediately adjacent to the Oval Park area. Also, contiguous to the Lincoln Oval Park area are Census Tracts 12.00.1 and 12.00.5. These Census Tracts are an extension of the Oval Park Area, to the south. The three additional areas that the City will address with the greatest needs and most impact are on the northeast and northwest sides of Houston Avenue. These areas are known as the Northeast Visalia Area, bound by Santa Fe, St Johns Parkway, Pinkham alignment and Douglas; Birdland, bound by Giddings, Riggins Avenue, Santa Fe and



Ferguson; and Shannon Ranch, bound by Demaree, Riggin Avenue, Giddings up to Mooney Boulevard and Goshen Avenue. The ages of the homes vary from 20 years or more, to less than 10 years. Statistical data depicted through the attached maps support adding these three areas to the program, as well as desire from the Visalia City Council. During the public hearing held on November 3, 2008, City Council directed staff to expand its boundaries if applicable beyond the two neighborhoods to acquire and resell homes that have been foreclosed upon. The City will focus use of the 50% or below AMI funds in the Washington School and/or Lincoln Oval Park neighborhoods where homes tend to be older and less expensive and require the most rehabilitation. With respect to the 50% to 120% AMI funds, the City will acquire foreclosed homes in the Northeast Visalia, Birdland, Shannon Ranch and additional census tracts near the Lincoln Oval Park. These homes tend to be new, higher priced, require fewer improvements, and will resell faster enabling the City to fulfill its goal of recycling dollars. The Northeast Visalia area is identified in the Census map as Tracts 13.01.2 and 13.01.3 and portions of northern blocks of 13.02.1 and 13.02.2. The Birdland area is identified in the Census map as Tracts 10.04.1 and 10.04.3. This area reflects a 7.3% to 8.6% foreclosure/abandonment risk score, 81% up to 100% of the area median income range is 120% AMI or below, predicted 18 month foreclosure rate between 9.3% to 10.5%, USPS Residential Vacancy Rate is approximately 1.2% to 2.2% and a rate between 43% to 48%, Hi Cost Loan Rate Area. The last area Shannon Ranch, is identified in the Census map as Tract 10.03.1 and a portion of 10.03.2.

Activity Description:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (areas that meet the income levels up to 120% AMI) - \$1,550,000. As indicated above, the five neighborhoods that the City of Visalia will be initially targeting are the Washington School area neighborhood, Lincoln Oval area neighborhoods, Northeast Visalia Area, Birdland and Shannon Ranch. The neighborhoods are all within identified areas with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalia's building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount minimum of 1% below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property may include rehabilitation. Upon preparing the home for resale, the properties will be made available to families meeting the program guidelines. Due to the purchase discount, an affordability covenant will be placed upon the property for a minimum of 15 year term and a first right of refusal clause. The borrower would obtain a first mortgage through a local lender that meets the requirements of the program (must provide a fixed rate mortgage) or possibly through one of the lending institutions that the City is working with to provide the new borrower with a first mortgage. The City will make no profit in the turnover of the property to a new homeowner. It is the intent of the use of NSP funding to stabilize communities and rebuild neighborhoods. It is also the intent to look to the lending institutions, such as those listed above, to finance the first mortgage for the new borrower. In the event the borrower is not financed through a local lender, the City will serve as the Lender/Mortgagee (first mortgage, below market fixed rate of interest (between 3% - 6%) 30 year term), incorporating a right of first refusal in all mortgage documents. The family will be required to meet loan underwriting criteria, similar to a lending institution. Dependent upon the borrowers family income and cost of the home and qualifications, the borrower may also need gap financing. The City will provide a second mortgage to qualified families, with a below market interest rate of 3% to 4%. The City will be incorporating affordability covenants as required, following regulations applicable to the funding source utilized. The first Activity- (G1) is to acquire, rehabilitate and resell properties in areas of greatest need up to 120% AMI. Approximately \$1,550,000 will be addressing this activity. It is also the City's goal to acquire, rehabilitate and resell properties to families with income levels up to 50% AMI, working through Habitat for Humanity, Self Help Enterprises and CSET to obtain buyers with income levels at or below 50% of the AMI. Approximately \$600,000 of the NSP Funds shall address the needs of families with income at or below 50% AMI. This is referenced in the second active (G2). Decreased budget of 0011-A by \$300,000 on May 20, 2013, to increase budget of 0011-B to carryout activities for households at or below 50% AMI.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 0011-A- HfH NSP 120%
Activity Title: 0011-A HfH NSP 51% to 120%

Activity Type:
 Rehabilitation/reconstruction of residential structures
Project Number:
 NSP -B
Projected Start Date:
 01/17/2017
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

Activity Status:
 Under Way
Project Title:
 Acquisition, rehab, resell
Projected End Date:
 02/28/2019
Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 178,000.00
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 178,000.00

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	2			0.00
# of Households	2			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	2
# of Housing Units	2

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 Habitat for Humanity of Tulare County

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Habitat for Humanity of Tulare County	Non-Profit	\$ 177,252.13



Location Description:

Habitat for Humanity will be acquiring foreclosed single family homes in the City's approved NSP targeted boundaries:

- "Washington School Neighborhood Area": Census Tract blocks within 17.01 and 18.00 bound by Noble Avenue/Hwy 198 East to Ben Maddox Way, South to Walnut Avenue, West to Mooney Boulevard, North to Noble Ave/Hwy 198.
- "Lincoln Oval Park Neighborhood Area": Census Tract areas (all block groups) 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3, 11.00.4, 12.00.1 and 12.00.5; Bound by Noble/Hwy 198, West to Mooney Boulevard, North to Houston east to Giddings, North to Ferguson, East to Santa Fe, South to Noble/Hwy 198
- "Northeast Visalia Area": Census Tracts blocks within 13.01 and 13.02: Starting from Santa Fe at Noble/Hwy 198, North to Riggan, East along St Johns Way to Road 148 9within City limits), South to Noble, West to Santa Fe.
- "Birdland Area": Census map Tracts (block groups) 10.04.1 and 10.04.3. bound by Giddings, Riggan Avenue, Santa Fe and Ferguson
- "Shannon Ranch Area": Census Tract 10.03: The boundary shall be all blocks with Tract 10.03: Starting from Goshen Avenue, heading West to Shirk (Road 92), north to Riggan, East to Demaree, North to Pratt, east to Mooney Boulevard, south to Riggan, East to Giddings, South to Houston, West to Mooney, south back to Goshen Avenue. (within City limits)

Activity Description:

Habitat to acquire foreclosed single family properties, rehabilitate and resell to households up to 120% ami. A property transaction will be redirected to this activity. Additional property(ies) may be under this category. Additional funding provided to HfH, approved through public hearing, citizen participation process and council approval. Funds pulled from 0011-B of \$180K approved by CC jan 2017

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 0011-B
Activity Title: 0011-B

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP -B

Projected Start Date:

03/01/2009

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.

Activity Status:

Under Way

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,178,868.72

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,178,868.72

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

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

Proposed Accomplishments

of Singlefamily Units

of Housing Units

of Properties

Total

4

4

4

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Vislaia

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Vislaia

Organization Type

Local Government

Proposed Budget

\$ 1,178,868.72



Location Description:

Within the City of Visalia city limits. Areas of concentration are those with the greatest need, which include two neighborhoods in which we are focusing our initial energies toward revitalization. The two targeted neighborhoods are Washington School and Lincoln Oval Park neighborhoods. The Washington School neighborhood lies within Census Tract areas 17.01.1, 17.01.2, 17.01.3, 17.01.4, 17.01.5, 18.00.1, 18.00.2. The second area Lincoln Oval Park neighborhood, which lies within Census Tract areas, including block groups 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3. This is another area in which the city has been concentrating its efforts to address the needs of families in the community. Efforts include community outreach in collaboration with our Park and Recreation, Police, Engineering and Neighborhood Preservation Departments. Census Tract 11.00.4 is immediately adjacent to the Oval Park area. Also, contiguous to the Lincoln Oval Park area are Census Tracts 12.00.1 and 12.00.5. These Census Tracts are an extension of the Oval Park Area, to the south. The three additional areas that the City will address with the greatest needs and most impact are on the northeast and northwest sides of Houston Avenue. These areas are known as the Northeast Visalia Area, bound by Santa Fe, St Johns Parkway, Pinkham alignment and Douglas; Birdland, bound by Giddings, Riggin Avenue, Santa Fe and Ferguson; and Shannon Ranch, bound by Demaree, Riggin Avenue, Giddings up to Mooney Boulevard and Goshen Avenue. The ages of the homes vary from 20 years or more, to less than 10 years. Statistical data depicted through the attached maps support adding these three areas to the program, as well as desire from the Visalia City Council. During the public hearing held on November 3, 2008, City Council directed staff to expand its boundaries if applicable beyond the two neighborhoods to acquire and resell homes that have been foreclosed upon. The City will focus use of the 50% or below AMI funds in the Washington School and/or Lincoln Oval Park neighborhoods where homes tend to be older and less expensive and require the most rehabilitation. With respect to the 50% to 120% AMI funds, the City will acquire foreclosed homes in the Northeast Visalia, Birdland, Shannon Ranch and additional census tracts near the Lincoln Oval Park. These homes tend to be new, higher priced, require fewer improvements, and will resell faster enabling the City to fulfill its goal of recycling dollars. The Northeast Visalia area is identified in the Census map as Tracts 13.01.2 and 13.01.3 and portions of northern blocks of 13.02.1 and 13.02.2. The Birdland area is identified in the Census map as Tracts 10.04.1 and 10.04.3. This area reflects a 7.3% to 8.6% foreclosure/abandonment risk score, 81% up to 100% of the area median income range is 120% AMI or below, predicted 18 month foreclosure rate between 9.3% to 10.5%, USPS Residential Vacancy Rate is approximately 1.2% to 2.2% and a rate between 43% to 48%, Hi Cost Loan Rate Area. The last area Shannon Ranch, is identified in the Census map as Tract 10.03.1 and a portion of 10.03.2.

Activity Description:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program - This activity specifically for families with income up to 50% of the AMI- the \$600,000 (597,082.75 minimum) set aside for 50% AMI and below. The five neighborhoods that the City of Visalia will be initially targeting are the Washington School area neighborhood, Lincoln Oval area neighborhoods, Northeast Visalia Area, Birdland and Shannon Ranch. The neighborhoods are all within identified areas with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalia's building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount (1%) below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property may include rehabilitation. Upon preparing the home for resale, the properties will be made available to families meeting the program guidelines. The property will be sold the lessor of fair market value or total NSP investment . An Affordability Covenant will be placed upon the property (recorded) for 15 to 20 year term. The borrower would obtain a first mortgage through a local lender that meets the requirements of the program (must provide a fixed rate mortgage) or possibly through one of the lending institutions that the City is working with to provide the new borrower with a first mortgage. The City will make no profit in the turnover of the property to a new homeowner. It is the intent of the use of NSP funding to stabilize communities and rebuild neighborhoods. It is also the intent to look to the lending institutions, such as those listed above, to finance the first mortgage for the new borrower. In the event the borrower is not financed through a local lender, the City will serve as the Lender/Mortgagee (first mortgage, below market fixed rate of interest (between 3% - 6%) 30 year term), incorporating a right of first refusal in all mortgage documents. The family will be required to meet loan underwriting criteria, similar to a lending institution. Dependent upon the borrowers family income and cost of the home and qualifications, the borrower may also need gap financing. The City will be incorporating affordability covenants as required, following regulations applicable to the funding source utilized. It is the City's goal to acquire, rehabilitate and resell properties to families with income levels up to 50% AMI, working through Habitat for Humanity, Self Help Enterprises and CSET to obtain buyers with income levels at or below 50% of the AMI. Approximately \$600,000 NSP Funds shall address the needs of families with income at or below 50% AMI. Although the two objective listed above pertain to acquisition, rehabilitation and resale, market conditions may change, therein the area with the highest need, in addition to the eligible use of funding, therefore Staff is requesting through the authorization of the City Council to authorize City Manager, or Housing & Economic Development Director to adjust program goals to maximize expenditure of NSP funds. Increased budget of 0011B by \$300,000 on May 20, 2013, by decreasing budget 0011-A, in order to carryout activities for households at 50% ami or below. Budget decreased by \$180k CC approved \$180k to Habitat for 0011-A HfH 120% ami households on Jan 2017



Environmental Assessment: COMPLETED

Environmental None



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

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 NSP -B

Projected Start Date:
 12/19/2011

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.

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way

Project Title:
 Acquisition, rehab, resell

Projected End Date:
 03/01/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 689,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 689,000.00

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	5	5		100.00
# of Households	5	5		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	5
# of Housing Units	5
# of Properties	5

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 Habitat for Humanity of Tulare County

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Habitat for Humanity of Tulare County	Non-Profit	\$ 689,000.00

Location Description:

Habitat for Humanity will be acquiring foreclosed single family homes in the City's approved NSP targeted boundaries. Census Tracts & Eligible Areas for the Purchase of Foreclosed Properties

•“Washington School Neighborhood Area”:Census Tract blocks within 17.01 and 18.00 bound by Noble Avenue/Hwy 198 East to Ben Maddox Way, South to Walnut Avenue, West to Mooney Boulevard, North to Noble Ave/Hwy 198.

•“Lincoln Oval Park Neighborhood Area”:Census Tract areas (all block groups) 10.04.2, 10.04.4, 11.00.1, 11.00.2,

11.00.3,11.00.4, 12.00.1 and 12.00.5; Bound by Noble/Hwy 198, West to Mooney Boulevard, North to Houston east to Giddings, North to

Ferguson, East to Santa Fe, South to Noble/Hwy 198

•“Northeast Visalia Area”:Census Tracts blocks within 13.01 and 13.02: Starting from Santa Fe at Noble/Hwy 198, North to Riggins,

East along St Johns Way to Road 148 9within City limits), South to Noble, West to Santa Fe.

•“Birdland Area”:Census map Tracts (block groups) 10.04.1 and 10.04.3. bound by Giddings, Riggins Avenue, Santa Fe and Ferguson

•“Shannon Ranch Area”:Census Tract 10.03: The boundary shall be all blocks with Tract 10.03: Starting from Goshen Avenue,

heading West to Shirk (Road 92), north to Riggins, East to Demaree, North to Pratt, east to Mooney

Activity Description:

Habitat for Humanity will be acquiring foreclosed homes, rehabilitating and reselling to households, at or below 50% ami. The City partnered with Habitat for Humanity, December 19, 2011, for the use of NSP funding to acquire foreclosed single family dwellings, rehabiltite and resell to households at or below 50% of the area median income. The City provides NSP funding to Habitat for the costs associated with the acquisiton, soft costs, rehabilitation and developer fees. The borrower works with Habitat for their sweat equity contribution. The borrower makes loan payments for 30 years. The program recently was revised to allow more flexibility for loans to be carried up to 40 years. The loans are secured by a Deed of Trust, Note, Truth in Lending and an affordability Covenant is recorded on the property for 15 years.

included as attachments are the amendments to the Habitat activities and agreements

Environmental Assessment: COMPLETED

Environmental None

Activity Supporting Documents



Document	16681_Attachment Hfh 6th Amendment CC report.PDF
Document	2nd Amenment hfhnsf signed.pdf
Document	3rd hfhnsf amend.pdf
Document	City Habitat NSP city council transmittal.pdf
Document	Fifth Amendment.pdf
Document	HFH Amend trans nov 2014.pdf
Document	HFH NSP Ext july 31 2013.pdf
Document	HFHNSP Memo approval increase loan fee.pdf
Document	HfH NSP Amend 1 Agrmt.pdf
Document	Hfh extension memo nsp 25%.pdf
Document	NSP 6th Amendment.pdf



Grantee Activity Number: 0011-B-Multi 210 NW2nd
Activity Title: 0011-B-Multi 210 NW2nd

Activity Type:
 Acquisition, construction, reconstruction of public facilities
Project Number:
 NSP -B
Projected Start Date:
 02/01/2010
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

Activity Status:
 Completed
Project Title:
 Acquisition, rehab, resell
Projected End Date:
 09/30/2010
Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 198,174.68
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 198,174.68

Benefit Report Type:
 Direct (Person)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	4	4		100.00
Proposed Accomplishments	Total			
# of public facilities	1			

Activity is being carried out by
 Yes

Activity is being carried out through:
 Grantee Employees and Contractors

Organization carrying out Activity:
 City of Vislaia

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Vislaia	Local Government	\$ 198,174.68

Location Description:
 Within the City of Visalia city limits. The areas of concentration remain the same. Specifically, for this property located at 210 NW 2nd Avenue, it lies within Census Tract 11.00, which is one of the areas of concentration with

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

Activity Description:

This activity is specifically to benefit families with income at or below 50% of the AMI.- \$250,000 of the \$600,000 set aside for 50% AMI; As of March 8, 2010, a minor amendment was completed to add an additional \$50,000 to the 210 NW 2nd project. this was a minor amendment, less than 50% of the allocation, therefore only required the City Manager's approval by memo. The neighborhood is within identified an area with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalia's building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount (1%) below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property includes rehabilitation. The property (units)will be made available to families meeting the program guidelines. Due to the purchase discount, an affordability covenant will be placed upon the property for a 20 to 30 year term. The City's goal is to provide permanent housing, to stabilize communities and rebuild neighborhoods;working with a non-profit agency as a property manager to monitor and maintain the property.

As of Jan 2010, Council approved the use of \$250k of the \$600k set aside for 50% AMI for the acquisition of a foreclosed 1-4 unit multifamily unit to rehabilitation and maintain ownership as permanent housing for families at or below 50% AMI. As noted earlier, a minor amendment was completed on March 4, 2010 to add an additional \$50,000 to the project.

A minor technical change to the Action Plan has been made to change the use of 210 NW 2nd 4 plex to the acquisition, rehabilitation of a public facility. The property is being sold to a non-profit agency. Technical Amendment 210 NW 2nd (March 7, 2011) - Public Hearing held. Change in Use for property located at 210 NW 2nd 4-plex.

This property was originally purchased with the intent to rehabilitate and provide permanent housing. A public hearing was held and the change in use was approved to allow the sale of the property to Visalia Rescue Mission for transitional housing. This is also considered a technical change to the NSP Action Plan. The Eligible Use under NSP is: (E) Redevelop demolished or vacant properties: Under CDBG: 24 CFR 570.201(a) Acquisition,(b) Disposition, (c) Public facilities and improvements.

After local CDBG Representative determined that the Visalia Rescue Mission is also a faith based organization and a conflict, the City was directed to pay its local account the appraised value of the property, which was \$140,000 on 10-26-2012, Voucher No. 205487/1 Batch updated by LOCCS, which was directed toward 0011-B. The budget has been reduced to actual.

Environmental Assessment: COMPLETED

Environmental None

Activity Supporting Documents





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

Activity Type:

Administration

Project Number:

NSP -B

Projected Start Date:

03/01/2009

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)

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 570,860.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 570,860.00

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Visalia

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Visalia

Organization Type

Local Government

Proposed Budget

\$ 570,860.00

Location Description:

City of Visalia- administration

Activity Description:

HERA indicated that an amount of up to 10% of an NSP grant provided to the City and upto 10% of program income earned may be used for general administration and planning activities as defined at 24 CRF 570.205 and



206. An enormous amount of work required with respect to marketing the program, completing the initial property purchase, packaging loan documents, conducting inspections, environmental review and work with realtors, lenders and title companies.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: 0011-D
Activity Title: 0011-D Garden Street Public Facility

Activity Type:
 Acquisition, construction, reconstruction of public facilities

Project Number:
 NSP -B

Projected Start Date:
 09/13/2018

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

Activity Status:
 Under Way

Project Title:
 Acquisition, rehab, resell

Projected End Date:
 12/31/2020

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 0.00

Benefit Report Type:
 Direct (Person)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	15	10	5	100.00

Proposed Accomplishments	Total
# of public facilities	

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Visalia

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Visalia	Local Government	\$ 0.00

Location Description:
 1627 S Garden, Visalia, CA 93291



Activity Description:

The City proposes to amend the NSP1 Action Plan 2008, to: 1) Add Eligible Use Activity (“E”) Redevelopment for a Public Facility; 2) redirect Neighborhood Stabilization Program (NSP1) Funding from Habitat for Humanity (Habitat) to Self Help Enterprises under eligible use “E” activity; 3) and provide remaining funding (approximately \$225,000) to an eligible Non-Profit Developer (Self Help Enterprises, Inc.) for use of NSP1 funds toward acquisition and/or rehabilitation of a Public Facility to be owned and operated by the Non –Profit for transitional/respite bridge housing.

Environmental Assessment: COMPLETED

Environmental None

Action Plan Comments:

MICHAEL This Action Plan amendment is concisely written, and fully describes the activites to be undertaken under the NSP program. This activity will serve low/mod persons of Visalia in two ways; it will assist low/mod persons to become homeowners in a very expensive housing environment, and will help to revive the targeted troubled neighborhoods described above.

MICHAEL The City revised the 0011-B project so that it would reflect, in more detail, the multi-family project, funding and description/location. This is reflected at 0011-B M210 NW 2nd. In doing so, Visalia had to also add back in the remaining \$350,000 of the \$600,000 set aside for 50% AMI and below activities as seen below:

- ¿ 0011-B- \$350,000 for 50% AMI and below
- ¿ 0011-B-M210 NW2nd of \$250,000 for the 210 NW2nd multifamily project.

This is the total set aside (\$600,000) for 50% AMI and below

Reviewer - Marilee Hansen: Action plan rejected for more clean up.

Reviewer - All comments previously noted have been addressed. No comment on AP. Staff did a great job.

Reviewer - NSP1 Action Plan Amendment: The City of Visalia has added a new eligible activity and new identified beneficiaries. The City has reallocated \$225,000 in NSP1 funds for the acquisition/rehabilitation of a 22-24 bed public facility for transitional/respite bridge housing facility for low income adults who are homeless or at risk of homelessness under the Eligible Use "E"-Redevelopment. The property is located within the NSP1 target area.

Reviewed by CC

Reviewer - Per grantee's request, returning the Action Plan to them for correction and resubmission.

Reviewer - Per grantee's request, returning the Action Plan to them for correction and resubmission. Cc
AY reviewed this NSP action plan.

Action Plan History

Version	Date
B-08-MN-06-0011 AP#1	04/14/2010
B-08-MN-06-0011 AP#2	07/29/2011
B-08-MN-06-0011 AP#3	05/31/2012
B-08-MN-06-0011 AP#4	01/10/2013
B-08-MN-06-0011 AP#5	03/26/2013
B-08-MN-06-0011 AP#6	05/21/2013
B-08-MN-06-0011 AP#7	09/18/2013
B-08-MN-06-0011 AP#8	05/04/2015
B-08-MN-06-0011 AP#9	10/27/2015
B-08-MN-06-0011 AP#10	06/28/2016
B-08-MN-06-0011 AP#11	07/01/2016
B-08-MN-06-0011 AP#12	03/30/2017
B-08-MN-06-0011 AP#13	05/17/2017
B-08-MN-06-0011 AP#14	04/23/2019
B-08-MN-06-0011 AP#15	09/25/2019
B-08-MN-06-0011 AP#16	02/27/2020



