

Action Plan

Grantee: Fresno, CA

Grant: B-11-MN-06-0003

LOCCS Authorized Amount:	\$ 3,547,219.00
Grant Award Amount:	\$ 3,547,219.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 820,000.00
Total Budget:	\$ 4,367,219.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Fresno will limit the distribution and use of NSP3 funds to those census tracts and block groups identified in Table 2 of this Substantial Amendment as the Area of Greatest Need. This is in accordance with Section 2301(c)(2) of HERA, as amended by the Recovery Act and the Dodd-Frank Act. These areas have been targeted because they have the highest percentage of foreclosures, the highest percentage of homes with a high cost mortgage, and are likely to face a significant rise in the rate of home foreclosures.

Fresno will engage in the following activities within the census tracts as part of its NSP3 activities:

- Acquire and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop such homes and properties;
- Provide a Mortgage Assistance and Housing Counseling Program.
- Fresno will further attempt to focus the majority of its efforts within the above census tracts by targeting contiguous areas through the expertise of the City's Planning and Resource Management Department.
- To accomplish the activity of homebuyer counseling and the management of rental properties, the City of Fresno will partner with community organizations in the area.

How Fund Use Addresses Market Conditions:

Selection of the areas of greatest need began with an evaluation of where the City implemented NSP1 funding and identifying the measurable impacts of the grant. NSP1 brought a \$10.969 million award from HUD. Under NSP1 funds were targeted to areas where: 1) the foreclosures were high, the poverty rate was high, and in areas where the most dilapidated housing stock was located; 2) in locations where foreclosures were high and other City investments were occurring. Specifically, the neighborhoods surrounding downtown Fresno; and, 3) lastly, funds were used in neighborhoods where there were a small number of foreclosures, but acquiring/rehabilitating/reselling immediately stemmed the decline in that neighborhood.

This approach has been moderately successful. Homes in the nicer neighborhoods with the smaller foreclosures sold immediately and homes where other City investments occurred also sold at a fast pace. However, where the investment was needed most, foreclosed dilapidated housing in poverty stricken neighborhoods – the houses remain unsold. Based upon this knowledge, and the expected further decline in house prices, the City will utilize most of its funding for acquisition/rehab and rental of affordable housing to the lowest income groups and resale to the higher income groups (Exhibit C).

As of December 2010, there were 3,782 bank owned properties in the City of Fresno, while in the same month there were 2,056 homes for sale on the market. There are 109 census tracts within Fresno's entitlement jurisdiction, of those census tracts, 23% have HUD Need Scores of 20 and 27% have Need Scores of 19 and 15% have a score of 18. Seventy-percent of Fresno census tracts have HUD Need Scores of 18 or higher. The average Needs Score for California is 17; which is below the 71% of the City's census tracts. This analysis led City staff to target the funding to the hardest hit areas, but with lower thresholds of impacting units, which will provide for the visual impact of change required by the regulations. NSP3 projects will occur in areas of where Needs Scores are 20 and where other City investments are occurring to arrest the concentration of poverty and encourage



revitalization. The City selected Census Tracts 2, 6, 25.01, 25.02, 26.01, 26.02, 27.01 and 27.02.

Ensuring Continued Affordability:

Long-Term Affordability

The City will ensure continued affordability of NSP3 funded projects for the maximum extent practicable and the longest feasible term for individuals and families with incomes not exceeding 120 percent of the area median income. Continued affordability for NSP3 funded projects will be met through resale and recapture provisions on projects for sale, rent, or redeveloped. NSP3 requires grantees to use its existing HOME affordability as a minimum threshold for NSP3 affordability. The Dodd-Frank Act continues the requirement. The City establishes its continued affordability period at 30 years on acquisition and resale projects and 55 years for rental projects.

Housing units meeting requirements under NSP3, the Dodd-Frank Act of 2010, serving persons at or below 50 percent of the area median income, are ensured continued affordability through long term affordability requirements as established in the previous paragraph. The City expects to provide affordable rental housing to persons at or below 50 percent of the area median income. The recapture provision provided on rental projects is 55 years. HOME affordability or continued affordability standards will be applied to NSP3 assisted projects used on a property previously assisted with HOME funds; but on which affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure. The greater of the remaining HOME affordability or the continuing affordability requirements established under this amendment will be applied. Continued affordability for projects meeting the low income targeting requirement will be met through deed restrictions, covenants running with the land, and annual monitoring of NSP3 projects through the life of the continued affordability standard.

Definition of Blighted Structure:

Blighted Structure

The City will use the definition of blighted structure as established under the Fresno Municipal Code found in Article 6 Public Nuisance Abatement, Section 10-603(c). The definition reads as follows:

"Blighted Building" means a vacant residential, commercial or industrial building and all yards surrounding the building that reduces the aesthetic appearance of its neighborhood, area or district, is offensive to the senses, or is detrimental to nearby property or property values. A blighted building includes a vacant building and the yards surrounding the building that are not being actively maintained, or actively monitored, or actively secured.

Definition of Affordable Rents:

Affordable Rents

The City shall use the definition of affordable rents as defined in its 2010-2014 Consolidated Plan, as follows:

A household's monthly housing costs or gross rent plus utilities cannot exceed 35% of its gross income. HUD's Fair Market Rent Values (FMR) for the Fresno Metropolitan Statistical Area will be used to define rent limits. If a gap exists between household income and the FMR, the City will require funding from other sources to ensure affordability. FMR limits for Fresno MSA can be found below in Table 3.

Table 3

FY 2010 Fair Market Rents By Unit Bedrooms

Area name Fresno, CA

Efficiency: \$646

One-Bedroom: \$711

Two- Bedroom: \$840

Three- Bedroom: \$1,222

Four-Bedroom: \$1,316

(Source: U.S. Department of Housing and Urban Development, 01/2011)

Housing Rehabilitation/New Construction Standards:

Housing Rehabilitation Standards

The City provides guidance on housing rehabilitation standards for its housing and community development projects through its "Guide to Rehabilitation Standards and Specifications". The Guide is applied to the City's existing housing rehabilitation programs funded under the HOME and CalHome Program and was prepared in accordance with applicable laws, codes, and other requirements. All work shall meet or exceed the following codes, standards, and ordinances, as adopted by the City:

- Current Uniform Building Code
- Current Uniform Plumbing Code
- Current Uniform Mechanical Code
- Current National Electrical Code
- Current Uniform Housing Code
- Current California State Title 19 and Title 25
- Current City Zoning Ordinance
- Current City Building Regulations, Chapter 13
- Current International Conference of Building Official=s Building Standards

Vicinity Hiring:

Vicinity Hiring

A requirement established by HUD for NSP3, to the maximum extent feasible, provide for the hiring of persons that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the NSP3 projects.



The City expects to work with the local Housing Authority and their established Section 3 Program to meet this requirement.

Procedures for Preferences for Affordable Rental Dev.:

The Dodd-Frank Act includes statutory language to “establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.” The City of Fresno is demonstrating this rental preference by utilizing its 25% set aside requirement for use on affordable rental development for persons earning at or below 50% of the area median income. Additionally the City will commit an additional 25% of the entitlement on the development of rental housing for use persons earning between 51-80% of the AMI. On November 29, 2012 the City Council of the City of Fresno identified two partners to carry out the NSP3 projects. TFS Investments (\$1.8 million) and the Housing Authority (\$1.3 million). Each agency will acquire eligible NSP3 properties for lease to households earning at or below 80% of the AMI.

Grantee Contact Information:

NSP3 Program Administrator Contact Information
 Jurisdiction:
 City of Fresno
 Jurisdiction Web Address:
 www.fresno.gov
 NSP Contact:
 Crystal Smith, Management Analyst III
 Email Address
 crystal.smith@fresno.gov
 Phone Number
 559-621-8507
 Fax:
 559-457-1338
 Mailing Address
 2440 Tulare Street, Suite 100, Fresno CA 93721

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP3-0001	Administration	NSP3-0001-MC00031	NSP3- Adminsitration
NSP3-0004	Affordable Housing Development	HA-SA 20521	San Ramon Apartments
		NSP3-0004-HA00006	Housing Authority - San Ramon Project
		NSP3-0004-TFS00005	TFS Affordable Housing Development
		TFS00005SA	TFS Low Income Set-Aside

Activities

Project # / Title: NSP3-0001 / Administration

Grantee Activity Number: NSP3-0001-MC00031
Activity Title: NSP3- Adminsitration

Activity Type:

Administration

Project Number:

NSP3-0001

Projected Start Date:

07/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

Administration

Projected End Date:

02/28/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 165,928.30

Other Funds \$ 0.00

Total Funds \$ 165,928.30

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Fresno2

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Fresno2

Organization Type

Local Government

Proposed

\$ 300,000.00

Location Description:



NSP3 will be managed by the City of Fresno at 2600 Fresno Street Fresno CA 93721-3605

Activity Description:

Administer the NSP3 Program in accordance with the applicable federal regulations.

Project # / Title: NSP3-0004 / Affordable Housing Development

Grantee Activity Number: HA-SA 20521
Activity Title: San Ramon Apartments

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
NSP3-0004

Projected Start Date:
07/01/2013

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

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

Environmental Assessment:
COMPLETED

Benefit Report Type:
Direct (Households)

Activity Status:
Under Way
Project Title:
Affordable Housing Development

Projected End Date:
03/31/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 660,000.00
Other Funds: \$ 0.00
Total Funds: \$ 660,000.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	11	11		100.00
# of Households	11	11		100.00

Proposed Accomplishments	Total
# of Multifamily Units	11
# of Housing Units	11
# of Properties	1



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Housing Authority of the City of Fresno

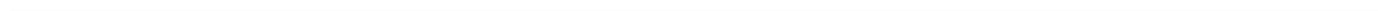
Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Fresno2	Local Government	\$ 0.00
Housing Authority of the City of Fresno	Non-Profit	\$ 558,783.72

Location Description:

1328 E. San Ramon Ave., Fresno, CA

Activity Description:



Grantee Activity Number: NSP3-0004-HA00006
Activity Title: Housing Authority - San Ramon Project

Activity Type:
 Acquisition - general

Project Number:
 NSP3-0004

Projected Start Date:
 11/29/2012

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Environmental Assessment:
 UNDERWAY

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way

Project Title:
 Affordable Housing Development

Projected End Date:
 12/31/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,250,000.00
Other Funds: \$ 0.00
Total Funds: \$ 1,250,000.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	19			0.00
# of Households	19			0.00

Proposed Accomplishments	Total
# of Multifamily Units	19
# of Housing Units	19
# 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:
 Housing Authority of the City of Fresno

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Fresno2	Local Government	\$ 0.00
Housing Authority of the City of Fresno	Non-Profit	\$



Location Description:

The property is located within census tract 54.01. A very low income neighborhood plagued by blight. The project is surrounded by the State University, nearby buses and shopping, and an active transportation system. The neighborhood has an existing community based organization that works with area residents, which are primarily Hmong/Lao, to navigate the public systems in Fresno. The area includes a police station that will assist in maintaining revitalization efforts.

Activity Description:

Funds will be used to acquire and rehabilitate a 32-unit apartment complex in a low income area plagued by blight and crime. This property will be reported under two DRGR activities. This activity represents 19 non set aside units. The Housing Authority will acquire and rehabilitate the project and work with the area Community Development Corporation to address neighborhood issues and to assist in revitalization efforts in the rest of the neighborhood named the El Dorado Park Neighborhood.



Grantee Activity Number:

NSP3-0004-TFS00005

Activity Title:

TFS Affordable Housing Development

Activity Type:

Acquisition - general

Project Number:

NSP3-0004

Projected Start Date:

11/29/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Affordable Housing Development

Projected End Date:

02/28/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:

\$ 1,312,258.48

Other Funds

\$ 0.00

Total Funds

\$ 1,312,258.48

Proposed Beneficiaries

Renter Households

Total

Low

Mod

Low/Mod%

12

0.00

of Households

12

0.00

of Permanent Jobs Created

0.0

Proposed Accomplishments

of Singlefamily Units

Total

6

of Multifamily Units

6

of Housing Units

12

Total acquisition compensation to owners

of Parcels acquired by admin settlement

of Parcels acquired by condemnation

of buildings (non-residential)

of Properties

10



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

TFS Investments LLC

Proposed budgets for organizations carrying out Activity:

Responsible Organization

TFS Investments LLC

Organization Type

For Profit

Proposed

\$

Location Description:

TFS Investments will acquire, rehabilitate, and lease eligible properties for rent to LMMI households in NSP3 approved areas.

Activity Description:

The Fresno City Council amended the Action Plan for NSP3 activities to contract with TFS Investments for the acquisition of NSP3 eligible areas to be leased to persons at or below 80% of the area median income.



Grantee Activity Number: TFS00005SA
Activity Title: TFS Low Income Set-Aside

Activity Type:

Acquisition - general

Project Number:

NSP3-0004

Projected Start Date:

11/29/2012

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Affordable Housing Development

Projected End Date:

02/28/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 930,000.00

Other Funds: \$ 0.00

Total Funds: \$ 930,000.00

Proposed Beneficiaries

Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	3	3		100.00
# of Households	3	3		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

of Multifamily Units

of Housing Units

of Properties

Total

3

3

3

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

TFS Investments

Proposed budgets for organizations carrying out Activity:

Responsible Organization

TFS Investments

TFS Investments LLC

Organization Type

For Profit

For Profit

Proposed

\$ 550,000.00

\$ 380,000.00



Location Description:

Properties that are in the NSP3 approved target areas.

Activity Description:

TFS Incestments will acquire single family properties with multiple units to rent to persons at or below 50% of the AMI.

Action Plan Comments:

Action Plan History

Version	Date
B-11-MN-06-0003 AP#1	10/30/2015
B-11-MN-06-0003 AP#2	05/05/2015
B-11-MN-06-0003 AP#3	02/25/2013
B-11-MN-06-0003 AP#4	02/08/2013
B-11-MN-06-0003 AP#5	12/19/2011
B-11-MN-06-0003 AP#6	12/12/2011

