

# Action Plan

**Grantee:** Los Angeles County, CA

**Grant:** B-11-UN-06-0502

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<b>LOCCS Authorized Amount:</b>	\$ 9,532,569.00
<b>Grant Award Amount:</b>	\$ 9,532,569.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 0.00
<b>Total Budget:</b>	\$ 9,532,569.00

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## Funding Sources

### Funding Source

N/A

### Funding Type

Do not select this item.

## Narratives

### Summary of Distribution and Uses of NSP Funds:

Funding will be used for the NSP3 Infill Sites Rental Program and NSP3 Administration. However, the CDC may undertake land banking, demolition and redevelopment to the available NSP3-eligible programs. The CDC has processed a substantial amendment in September 2013 that included these as eligible activities that may be undertaken. If these activities will be undertaken, DRGR will be amended accordingly to set up the new activities. This will only occur if the opportunity arises.

#### ACTIVITY #1: NSP3 INFILL SITES RENTAL PROGRAM

Use: Acquisition and Rehabilitation

CDBG Activity or Activities:

Acquisition, 24 CFR 570.201 (a);

Disposition, 24 CFR 570.201 (b);

Relocation, 24 CFR 570.201 (i); and

Eligible rehabilitation and preservation activities for homes and other residential properties, 24 CFR 570.202 (a)(1)(b)(1)(2)(4)(5)(6)(7)(iv)(9)(ii)

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The Program has been designed to provide financial assistance for affordable rental housing for low-income persons.

The residence must be a vacant property with between 1 and 4 units. The residence must have been foreclosed upon or abandoned pursuant to program guidelines. Eligible properties must be located in the City of Hawaiian Gardens. This target area has the greatest need based on the extent of multi-family foreclosures in the community. The Program will provide financial assistance through secured loans. All loans will have zero percent interest and will be secured by a First Deed of Trust. All repayments to the CDC are deferred until sale, transfer, refinancing or full repayment of the first mortgage. The Program will allow for the acquisition and rehabilitation of properties in order to stabilize the targeted community, but more importantly, provide housing opportunities for low-income persons earning 50% or less of area median income. For example, a household of four would be required to have an income of less than \$41,400 in today's market. The purchase price must be at least 1% below the current market appraised value of the property, pursuant to an appraisal dated within 60 days of the offer to purchase. The appraisal must conform to the requirements of 49 CFR 24.103. In order to meet the NSP3 statutory deadlines to expedite commitment and expenditure of program funds, the CDC's Program will be administered through the CDC's NSP1 Infill Sites Rental Program. This will include all relevant aspects that comply with 24 CFR 92.252, including continued affordability ensured by recorded covenants, a minimum 55-year affordability term, zero interest deferred payment loans, affirmative marketing, environmental clearance, CDC rehabilitation standards, and lead-based paint abatement.

Location Description: The Program's target area is the City of Hawaiian Gardens, which includes census tracts 5551.02, 5551.04, 5552.11, and 5552.12.

As of October 1, 2013, Hawaiian Gardens will no longer be a target area for this activity. Instead, the activity will target the following areas:

The following areas will be targeted for all NSP3-eligible areas: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina. The city of Hawaiian Gardens will be removed as a target area under the NSP3 program, while the areas of La Puente and San Fernando will remain.

Budget: \$5,492,400

#### ACTIVITY #2: NSP3 ADMINISTRATION



This activity is for grant administration of the NSP3 funds.

Eligible CDBG planning and administration activities are included under 24 CFR 570.205(a)(b), 570.206(a)(1)(2)(3)(4)(b)(c)(e)(f)(g), and pre-award costs under 24 CFR 570.200(h) for permissible costs such as the development of the Action Plan amendment and other administration action necessary to receive the NSP3 grant.

Budget: \$493,256.90

ACTIVITY #3: NSP3 Housing and Economic Recovery Homeownership (HERO) Program

Use: Acquisition and Rehabilitation

CDBG Activity or Activities:

Direct homeownership Assistance, 24 CFR 570.201(n) (1) (2) (3) (4) (5)

Eligible rehabilitation and preservation activities for homes and other residential properties, 24 CFR 570.202 (a)(1)(b)(1)(2)(4)(5)(6)(7)(iv)(9)(ii)

Housing counseling for those seeking to take part in the program, 24 CFR 570-201 (e)

National Objective: Financing mechanism for persons or households at or below 120% of area median income who desire to own a residential property.

Activity Description: The HERO program was designed to meet the needs of homebuyers with low-, moderate- and middle-incomes who are unable to qualify for a mortgage and/or obtain the necessary down payment without financial assistance. The home must be vacant and foreclosed upon or abandoned pursuant to program guidelines, and must be used as the principal residence of the homebuyer. Eligible homes must be located in one of the targeted areas within the cities of La Puente and San Fernando.

As of October 1, 2013, the HERO program includes all eligible homebuyers, not only first-time homebuyers.

This program will provide secured loans as follows:

- Homebuyers with household incomes that do not exceed 120% of area median income may borrow up to \$75,000 or 25% of the purchase price, whichever is less.
- Homebuyers with household incomes that do not exceed 80% of area median income may borrow up to \$100,000 or 25% of the purchase price, whichever is less.

Down payment assistance is also offered for down payment and/or closing cost assistance up to \$21,000 or 6% of the purchase price, whichever is less.

This program also offers "needed" assistance for the rehabilitation of foreclosed and abandoned homes:

- The HERO rehabilitation grant component has been designed to provide rehabilitation assistance through grants for homebuyers with low-, moderate- and middle-incomes in conjunction with their purchase of a home through the CDC's HERO Program. After completion of the purchase, the program assistance must be used to rehabilitate the home to a decent, safe, and habitable condition in accordance with program standards. The value of the home after completion of rehabilitation may not exceed the County's HOME maximum purchase price (currently \$362,394 for single family homes).
- Homebuyers with household incomes that do not exceed 120% of area median income may receive up to \$35,000 or 25% of the purchase price, whichever is less.
- Additional amounts may be provided at the discretion of the Executive Director, for repairs necessary to bring the property in compliance with all applicable codes.

All eligible homebuyers must attend and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a program loan.

The purchase price must be at least 1% below the current market appraised value of the property, pursuant to an appraisal dated within 60 days of the offer to purchase. The appraisal must conform to the requirements of 49 CFR 24.103.

In order to meet the NSP3 statutory deadlines to expedite commitment and expenditure of program funds, the CDC's Rehabilitation Program will adopt the design and procedures of the CDC's CDBG Emergency Grant Program. This will include all relevant aspects that comply with 24 CFR 570, including, HOME maximum sales price, affirmative marketing, environmental clearance, FHA housing standards, and lead-based paint.

Marketing efforts for the HERO program will include outreach to prospective homebuyers through the lending institutions in the CDC's current homebuyer programs, posting information on the CDC and the County Housing Resources Center webpages, home buyer education seminars, and housing fairs.

Location Description: The Program's target areas include portion of La Puente (Census Tract 4701.00, Block Groups 1-5; Census Tract 4076.00, Block Groups 2-5, and Census Tract 4077.02, Block Groups 1-3) and portion of San Fernando (Census Tract 3201.00, Block Groups 1-3 and Census Tract 3202.00, Block Groups 1-7).

As of October 1, 2013, the following areas will also be targeted for this activity: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina.

Budget: \$3,546,912.10

Please see more information under each activity page.

## How Fund Use Addresses Market Conditions:

In Los Angeles County, due to a lack of affordable housing, households with very low-incomes (50% area median income) are extremely vulnerable. The impact of the foreclosure crisis on this group, already beset by State spending cuts in social programs, has been tremendous. Limited affordable housing stock and foreclosures on single and multi-family properties have decreased the amount and availability of housing. According to an article from the United Way of Greater Los Angeles entitled "A Profile of L.A.'s Poor in Turbulent Times", the upheaval that accompanies foreclosure affects rental housing tenants in Los Angeles County perhaps to a greater degree because the percentage of renters is higher than that of the State or the nation. Further, housing costs have increased while wages



have remained sluggish.

In Los Angeles County, 52% of households are renting. The average fair market rent for a two bedroom apartment is approximately \$1,420. In order for this rent to be affordable (without paying more than 30% of income on housing), a household needs one (1) fulltime job paying \$27.31 per hour, which is a little over \$56,800 annually. A minimum wage worker in California must work 137 hour per week or have 3.4 household members earning minimum wages in order to afford a two bedroom unit. Consequently, minimum wage earners are priced out of the affordable rental housing market. In Los Angeles County this excessive housing cost burden translates into a vacancy rate of six percent. The increase in unemployment also negatively impacts these households living in extreme poverty. Currently the unemployment rate in the County is 13.1%; which is 0.9% greater than the State of California and 2.8% greater than the national average, and further increases in unemployment are anticipated. The ongoing State budget deficit with its corresponding layoffs and cuts in spending has exacerbated the problem negatively impacting stabilization efforts by increasing payment defaults across the County in addition to the number of foreclosures.

As a result, families are pooling resources and living together in one unit, leaving units unoccupied. While some landlords have demonstrated more willingness to negotiate lease details, many others fail to inform tenants of pending foreclosure, and renters are evicted with little notice. The CDC's Infill Sites Rental program helps decrease the affordable rental housing gap. The Program provides financing to developers to purchase 1-4 unit, vacant and foreclosed homes to rent to households at or below 50% area median income. The properties' continued affordability will be secured by recorded covenants for a minimum 55-year affordability term. With its NSP1 allocation, the CDC financed nine acquisition and rehabilitation loans, generating 21 rental units. Under NSP3, the CDC will commit 90% of its NSP3 allocation for its Infill Sites Rental Program in the targeted area of the City of Hawaiian Gardens.

The City of Hawaiian Gardens has a score of 17 in the north and 18 in the south, with a higher overall risk than the surrounding cities of Cypress, La Palma, Lakewood, and Los Alamitos. Furthermore, the City of Hawaiian Gardens has shown stronger indicators of market instability, including vacancy rates, rates of highcost mortgages, concentratiotidents with incomes less than 120%, and foreclosure starts. HUD's impact score, an estimated number of properties that need to be assisted in order to impact visible stability efforts, assumes that 20% of distressed units will require stabilization to reach a tipping point. The impact score for the City of Hawaiian Gardens is 30. The attached maps (Attachment A) illustrates that the south side of Hawaiian Gardens will require 5-8 property stabilization interventions while the north side requires 2-4.; for a total of 7-12 properties. The CDC expects to finance the acquisition of 15 properties or 30 distressed units. The impact score is overlaid with current Notice of Default data. The CDC is confident it can achieve that goal based on the Notice of Default data provided by The National Community Stabilization Trust and Fannie Mae. Combined, over 40 properties have publicly filed notices in the last 90 days. This is in addition to the already 143 Notice of Defaults issued since September 2009. This data primarily provides a snapshot of where foreclosure activity is the heaviest, but most importantly supports the need for housing stabilization in our target area of Hawaiian Gardens.

#### HOW HERO WILL ADDRESS MARKET CONDITIONS

In Southern California home sales increased above their level a year-ago for the seventh consecutive month in July despite continued declines in low-end distress sales. California homes entering the formal foreclosure process dropped in the second quarter to its lowest level since early 2007, but Notice of Default (NOD) filings and foreclosures continue to remain far more concentrated in the state's most affordable neighborhoods. According to DataQuick News, zip codes with second-quarter 2012 median sale prices below \$200,000 collectively saw 4.3 homes foreclosed on for every 1,000 homes in existence. That compares with 1.9 foreclosures per 1,000 homes for zip codes with medians between \$200,000 and \$800,000.

The trustees who pursued the highest number of defaults last quarter were ReconTrust Co (mostly for Bank of America and Bank of New York), Quality Loan Service Corp (Bank of America), Cal-Western Reconveyance Corp (Wells Fargo) and NDEx West (Wells Fargo). There are currently 155 resale and new homes in La Puente and 36 in San Fernando listed on the real estate database, including 681 and 176 homes in the pre-foreclosure, auction, or bank-owned stages of the foreclosure process. The average listing price for homes for sale in La Puente CA was \$269,569 and \$355,244 in San Fernando for the week ending August 29, 2012, which represents an increase of 0.1% and 3%, correspondingly.

HERO will alleviate the concentration of foreclosures and NOD filings within these two communities by enabling a modest increase of affordable homeownership opportunities in the La Puente and San Fernando target areas. CDC's HERO program will provide financing to qualified persons or households at or below 120% of area median income. The properties' continued affordability will be secured by recorded covenants for a 20-year affordability term. Under the HERO program, the CDC will expend 42% of its NSP3 allocation.

The cities of La Puente and San Fernando have a score of 17.98 in the La Puente target area and 17.60 in the San Fernando target area. The impact scores are 47 and 31, respectively with a combined total of 78 and the CDC intends to stabilize approximately 39 of those distressed properties.

#### Ensuring Continued Affordability:

NSP310: Continued affordability ensured by recorded covenants for a term of 55-years.

NSP300: Continued affordability ensured by recorded covenants for a term of 20-years.

#### Definition of Blighted Structure:

HUD's October 19, 2010 Notice defines blighted structures as structures exhibiting objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. The Notice also indicates that grantees must define blighted structure in the context of state or local law. As such, the following provides the definition of blighted structure under the Amended State of California Health and Safety Code (Effective January 1, 2007):

Section 33030

(a) It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of health, safety, and general welfare of the people of these communities and of the state.

(b) A blighted area is one that contains BOTH of the following:

(1) An area that is predominately urbanized, as the term is defined in section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or



alleviated by private enterprise or governmental action, or both, without redevelopment.

(2) An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(c) A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of inadequate public improvements or inadequate water or sewer facilities.

Section 33031

(a) This subdivision describes physical conditions that cause blight:

(1) Buildings which are unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. This condition may be caused by buildings of a substandard, defective or obsolete design or construction given the present general plan, zoning or other development standards.

(3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.

(4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given the present general plan, and zoning standards and present market conditions.

(b) This subdivision describes economic conditions that cause blight:

(1) Depreciated or stagnant property values.

(2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

(3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

(4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

(5) Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of regulations.

(6) An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.

(7) A high crime rate that constitutes a serious threat to the public safety and welfare.

**Definition of Affordable Rents:**

The CDC will use the HOME Program Rent definition for persons at 50% or below of the area median income, which is 30% of 50% of area median income minus a utility allowance established by the Los Angeles County Housing Authority.

**Housing Rehabilitation/New Construction Standards:**

The CDC will apply the Federal Housing Administration (FHA) property Standards, and comply with all applicable state and local laws, codes, and other requirements. To the extent feasible, the CDC will incorporate green building and energy-efficiency improvements.

In instances where gut rehabilitation is performed, the CDC will design to meet the standard for Energy Star Qualified New Homes. For more information about Energy Star Qualified New Homes standards please visit [http://www.energystar.gov/index.cfm?c=new\\_homes.hm\\_index](http://www.energystar.gov/index.cfm?c=new_homes.hm_index).

**Vicinity Hiring:**

As part of the procurement, the developer was evaluated in conjunction with its team (contractor and property management); therefore, to the maximum extent feasible, the developer's general contractor will provide for the hiring of employees 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 NSP3 projects.

**Procedures for Preferences for Affordable Rental Dev.:**

Originally 90% of the allocation was slated to be used for the development of affordable rental housing. Currently 57.5% of NSP3 funds have been allocated for this type of housing; and the CDC has reprogrammed and retargeted the balance of funds to Activity #3, which provides financial assistance to eligible homebuyers.

**Grantee Contact Information:**

Linda Jenkins, Manager  
CDBG Division  
(626) 586-1765  
linda.jenkins@lacdc.org  
Community Development Commission of the County of Los Angeles  
700 W. Main Street, Alhambra, CA 91801

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP300	NSP 3 Housing and Economic	NSP300	NSP3 Housing and Economic Recovery Homeownership

NSP301  
NSP310

NSP3 Administration  
NSP3 Infill Sites Rental Program

NSP301  
NSP310

NSP3 Administration  
NSP3 Infill Sites Rental Program



# Activities

**Project # / Title:** NSP300 / NSP 3 Housing and Economic Recovery

**Grantee Activity Number:** NSP300  
**Activity Title:** NSP3 Housing and Economic Recovery Homeownership

<b>Activity Type:</b> Homeownership Assistance to low- and moderate-income	<b>Activity Status:</b> Under Way
<b>Project Number:</b> NSP300	<b>Project Title:</b> NSP 3 Housing and Economic Recovery Homeownership
<b>Projected Start Date:</b> 10/12/2012	<b>Projected End Date:</b> 03/03/2014
<b>Project Draw Block by HUD:</b> Not Blocked	<b>Project Draw Block Date by HUD:</b>
<b>Activity Draw Block by HUD:</b> Not Blocked	<b>Activity Draw Block Date by HUD:</b>
<b>Block Drawdown By Grantee:</b> Not Blocked	<b>Total Budget:</b> \$ 3,576,633.20
<b>National Objective:</b> LMMI: Low, Moderate and Middle Income National Objective for NSP Only	<b>Other Funds Total:</b> \$ 0.00
<b>Environmental Assessment:</b> EXEMPT	<b>Total Funds Amount:</b> \$ 3,576,633.20
<b>Benefit Report Type:</b> Direct (Households)	

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># Owner Households</b>	25		25	100.00
<b># of Households</b>	25		25	100.00

<b>Proposed Accomplishments</b>	<b>Total</b>
<b># of Singlefamily Units</b>	25
<b># of Housing Units</b>	25

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

**Organization carrying out Activity:**  
 Community Development Commission of the County of Los Angeles1

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Community Development Commission of the County of Los Angeles1	Local Government	\$ 3,098,912.10



## Location Description:

The Program's target areas include portion of La Puente (Census Tract 4701.00, Block Groups 1-5; Census Tract 4076.00, Block Groups 2-5, and Census Tract 4077.02, Block Groups 1-3) and portion of San Fernando (Census Tract 3201.00, Block Groups 1-3 and Census Tract 3202.00, Block Groups 1-7).

As of October 1, 2013, the following additional areas will be targeted for this activity: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina. Please see supporting documents for maps and data for these areas.

## Activity Description:

The HERO program was designed to meet the needs of homebuyers with low-, moderate- and middle-incomes who are unable to qualify for a mortgage and/or obtain the necessary down payment without financial assistance. The home must be vacant and foreclosed upon or abandoned pursuant to program guidelines, and must be used as the principal residence of the homebuyer. Eligible homes must be located in one of the targeted areas within the cities of La Puente and San Fernando as well as the following areas: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina.

This program will provide secured loans as follows:

- Homebuyers with household incomes that do not exceed 120% of area median income may borrow up to \$75,000 or 25% of the purchase price, whichever is less.
- Homebuyers with household incomes that do not exceed 80% of area median income may borrow up to \$100,000 or 25% of the purchase price, whichever is less.

Down payment assistance is also offered for down payment and/or closing cost assistance up to \$21,000 or 6% of the purchase price, whichever is less.

This program also offers "as needed" assistance for the rehabilitation of foreclosed and abandoned homes:

- The HERO rehabilitation grant component has been designed to provide rehabilitation assistance through grants for homebuyers with low-, moderate- and middle-incomes in conjunction with their purchase of a home through the CDC's HERO Program. After completion of the purchase, the program assistance must be used to rehabilitate the home to a decent, safe, and habitable condition in accordance with program standards. The value of the home after completion of rehabilitation may not exceed the County's HOME maximum purchase price (currently \$394,250 for single family homes).
- Homebuyers with household incomes that do not exceed 120% of area median income may receive up to \$25,000 or 25% of the purchase price, whichever is less.
- Additional amounts may be provided at the discretion of the Executive Director, for repairs necessary to bring the property in compliance with all applicable codes.

All eligible homebuyers must attend and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a program loan.

The purchase price must be at least 1% below the current market appraised value of the property, pursuant to an appraisal dated within 60 days of the offer to purchase. The appraisal must conform to the requirements of 49 CFR 24.103.

In order to meet the NSP3 statutory deadlines to expedite commitment and expenditure of program funds, the CDC's Rehabilitation Program will adopt the design and procedures of the CDC's CDBG Emergency Grant Program. This will include all relevant aspects that comply with 24 CFR 570, including, HOME maximum sales price, affirmative marketing, environmental clearance, FHA housing standards, and lead-based paint.

Marketing efforts for the HERO program will include outreach to prospective homebuyers through the lending institutions in the CDC's current homebuyer programs, posting information on the CDC and the County Housing Resources Center webpages, home buyer education seminars, and housing fairs.

## Activity Supporting Documents



**Document Name:** 2013 NSP3 Amend Attachment A Maps.pdf

**Document Name:** 2013 NSP3 Amend Attachment B HUDuser Data.pdf

**Document Name:** 2013 NSP3 Amend Attachment C General Data.pdf

**Document Name:** 2013 NSP3 Amendment Application FINAL.pdf

**Document Name:** 2013 Proof of Publication - NSP3 Amendment.pdf

**Document Name:** La Puente HERO Target Area.pdf

**Document Name:** NSP 3 - Target Areas for HERO Program - La Puente.pdf

**Document Name:** NSP 3 - Target Areas for HERO Program - San Fernando.pdf

**Document Name:** NSP3 Amend Proof of Publications.pdf

**Document Name:** San Fernando City Target Area.pdf

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**Project # / Title: NSP301 / NSP3 Administration**

**Grantee Activity Number: NSP301**  
**Activity Title: NSP3 Administration**

**Activity Type:**

Administration

**Project Number:**

NSP301

**Projected Start Date:**

03/03/2011

**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:**

EXEMPT

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

NSP3 Administration

**Projected End Date:**

03/03/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 467,819.76

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 467,819.76





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

No

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

County of Los Angeles Community Development Commission

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

Responsible Organization	Organization Type	Proposed
County of Los Angeles Community Development Commission	Unknown	\$ 953,256.90

Funding Source Name	Matching Funds	Funding Amount
N/A	No	\$ 0.00

**Location Description:**

2 Coral Circle, Monterey Park, CA 91755

**Activity Description:**

This activity is for grant administration of the NSP3 funds.

**Project # / Title: NSP310 / NSP3 Infill Sites Rental Program**

**Grantee Activity Number:** NSP310  
**Activity Title:** NSP3 Infill Sites Rental Program

**Activity Type:**

Acquisition - general

**Activity Status:**

Under Way

**Project Number:**

NSP310

**Project Title:**

NSP3 Infill Sites Rental Program

**Projected Start Date:**

03/03/2011

**Projected End Date:**

03/03/2014

**Project Draw Block by HUD:**

Not Blocked

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

Not Blocked

**Activity Draw Block Date by HUD:****Block Drawdown By Grantee:**

Not Blocked

**Total Budget:** \$ 5,488,116.04**National Objective:**

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

**Other Funds Total:** \$ 0.00**Total Funds Amount:** \$ 5,488,116.04**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	19	19		100.00
# of Households	19	19		100.00
# of Permanent Jobs Created				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	19
# of Multifamily Units	
# of Housing Units	19
Total acquisition compensation to owners	
# of Parcels acquired voluntarily	19
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	
# of buildings (non-residential)	
# of Properties	19

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

No

**Organization carrying out Activity:**

Cross Roads Housing

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

Responsible Organization	Organization Type	Proposed
Cross Roads Housing	Unknown	\$ 5,480,400.00

**Location Description:**

The Program’s target area is the City of Hawaiian Gardens, which includes census tracts 5551.02, 5551.04, 5552.11, and 5552.12.

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As of October 1, 2013, the following areas are targeted for this activity: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina. The city of Hawaiian Gardens is removed as a target area under the NSP3 program, while the areas of La Puente and San Fernando will remain. Please see supporting documentation for maps and data for these areas.

**Activity Description:**

The Program has been designed to provide financial assistance for affordable rental housing for low-income persons. The residence must be a vacant property with between 1 and 4 units. The residence must have been foreclosed upon or abandoned pursuant to program guidelines. Eligible properties must be located in the City of Hawaiian Gardens. This target area has the greatest need based on the extent of multi-family foreclosures in the community.

The Program will provide financial assistance through secured loans. All loans will have zero percent interest and will be secured by a First Deed of Trust. All repayments to the CDC are deferred until sale, transfer, refinancing or full repayment of the first mortgage. The Program will allow for the acquisition and rehabilitation of properties in order to stabilize the targeted community, but more importantly, provide housing opportunities for low-income persons earning 50% or less of area median

income. For example, a household of four would be required to have an income of less than \$41,400 in today's market. The purchase price must be at least 1% below the current market appraised value of the property, pursuant to an appraisal dated within 60 days of the offer to purchase. The appraisal must conform to the requirements of 49 CFR 24.103. In order to meet the NSP3 statutory deadlines to expedite commitment and expenditure of program funds, the CDC's Program will be administered through the CDC's NSP1 Infill Sites Rental Program. This will include all relevant aspects that comply with 24 CFR 92.252, including continued affordability ensured by recorded covenants, a minimum 55-year affordability term, zero interest deferred payment loans, affirmative marketing, environmental clearance, CDC rehabilitation standards, and lead-based paint abatement.

As of October 1, 2013, the following areas are targeted for this activity: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho Dominguez and Hacienda Heights (portion), as well as the cities of Baldwin Park, Covina and West Covina. The city of Hawaiian Gardens is removed as a target area under the NSP3 program, while the areas of La Puente and San Fernando will remain. Please see supporting documentation for maps and data for these areas.

## Activity Supporting Documents

**Document Name:** 2013 NSP3 Amend Attachment A Maps.pdf

**Document Name:** 2013 NSP3 Amend Attachment B HUDuser Data.pdf

**Document Name:** 2013 NSP3 Amend Attachment C General Data.pdf

**Document Name:** 2013 NSP3 Amendment Application FINAL.pdf

**Document Name:** 2013 Proof of Publication - NSP3 Amendment.pdf

**Document Name:** La Puente HERO Target Area.pdf

**Document Name:** NSP 3 - Target Area Map - La Puente.pdf

**Document Name:** NSP 3 - Target Area Map - San Fernando.pdf

**Document Name:** San Fernando City Target Area.pdf

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## Action Plan Comments:

- Reviewer - Action Plan is complete and meets 10% Administration requirement with 90% directed to LH25 Activity. Approved. RMD. 3/9/11.
- Reviewer - Substantial amendment to add homeownership assistance Activity #NSP300 - HERO and fund in the amount of \$3,416,686.10. Two target areas - La, Puetna and San Fernando - were added. Homeownership assistance effort will be focused in the newly added target areas. Approved. EOO. 10/11/12.
- Reviewer - Grantee changed status of Activity NSP300 (HERO - Homeownership Assistance) from Planned to Underway. Approved. CVC. 07.19.13
- Reviewer - Grantee shifted funds from Activity NSP300 (HERO - Homeownership Assistance) to NSP310 (Infill) by \$317,774. Approved. CVC 07.29.13
- Reviewer - Substantial Amendment from grantee to expand the areas under which the NSP3 program will operate and to add land banking, demolition and redevelopment to the available NSP3-eligible programs the LA-CDC may undertake. The following areas are to be targeted for all NSP3-eligible activities: unincorporated Florence-Firestone/Walnut Park, West Athens-Westmont, Willowbrook/West Rancho Dominguez-Victoria, East Rancho



Dominguez and Hacienda Heights (portion), and the cities of Baldwin Park, Covina and West Covina in their entirety. The City of Hawaiian Gardens was removed. The amendment also modified the HERO program to include all NSP eligible homebuyers, not only first-time homebuyers. Amendment discussed and reviewed with EOO and HQ. Approved. CVC. 09.30.13

- Reviewer - Technical Amendment from grantee, shifting \$400,000 to Activity NSP300 HERO from NSP301 Administration. Approved. CVC. 12.04.2013
- Reviewer - Grantee submitted technical amendment to shift \$60,000 from NSP301 Administration to the following activities: NSP310 Infill Sites - \$12,000; NSP300 HERO - \$48,000. Approved. CVC. 02.26.2014
- Reviewer - Technical amendment to shift \$29,721.20 in funds from Infill (NSP310) and Admin (NSP301) (combined), to the HERO program (NSP300) to maximize the drawdown of the remaining NSP3 funds.

Infill (NSP310) - previous amount: \$5,492,400, revised amount: \$5,488,116.04.  
HERO (NSP300) - previous amount: \$3,546,912, revised amount: \$3,576,633.20.  
Admin (NSP301) - previous amount: \$493,257, revised amount: \$467,819.76.

Approved. CVC. 05.29.2014

## Action Plan History

Version	Date
B-11-UN-06-0502 AP#1	05/29/2014
B-11-UN-06-0502 AP#2	02/26/2014
B-11-UN-06-0502 AP#3	12/04/2013
B-11-UN-06-0502 AP#4	09/30/2013
B-11-UN-06-0502 AP#5	07/29/2013
B-11-UN-06-0502 AP#6	07/19/2013
B-11-UN-06-0502 AP#7	10/11/2012
B-11-UN-06-0502 AP#8	03/09/2011

