

# Action Plan

**Grantee:** Riverside, CA

**Grant:** B-11-MN-06-0519

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<b>LOCCS Authorized Amount:</b>	\$ 3,202,152.00
<b>Grant Award Amount:</b>	\$ 3,202,152.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 245,178.61
<b>Total Budget:</b>	\$ 3,447,330.61

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## Funding Sources

**No Funding Sources Found**

## Narratives

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

The City of Riverside will use NSP3 funds for three (3) primary activities, plus administration:

- 1) Acquisition/rehabilitation and resale to income eligible homebuyers;
- 2) Acquisition/rehabilitation and rental using the required 25% of the funds to serve residents earning at or below 50% of the area median income. The City of Riverside intends to utilize these funds for acquisition/rehabilitation of multi-family units. Where possible, these units will be used to augment the special needs housing categories;
- 3) Acquisition/demolition/redevelopment of units where rehabilitation costs would exceed the purchase price; and
- 4) Administration of the program, which will not exceed 10% of the NSP3 grant and 10% of program income.

The City of Riverside will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in neighborhoods with the areas of greatest need. The initially targeted areas will be in those neighborhoods that meet these criteria.

### How Fund Use Addresses Market Conditions:

The City of Riverside has designed a program to address both the single-family and multi-family residential property component of the local housing market. Based on past experience with the local foreclosure market, it has been found that the single-family and multi-family foreclosures are not adequately being addressed by the private market. The City's programs have been designed with these observations in mind resulting in a focus on both single-family and multi-family properties for acquisition.

### Ensuring Continued Affordability:

Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

### Definition of Blighted Structure:

The City of Riverside uses the State of California's definition of blight as found at California Health and Safety Code Sections 33030 and 33031.

The California Health and Safety Code Section 33031 describes physical conditions that cause blight related to structures as:

- 33031(a)(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may 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.
- 33031(a)(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.



.33031(b)(3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.  
33031(b)(7) A high crime rate that constitutes a serious threat to public safety and welfare.

### Definition of Affordable Rents:

For any NSP-funded rental activity, "affordable rents" shall be defined as 30% of the household's adjusted income, less utility allowances as adopted by the County of Riverside's Housing Authority for the Section 8 program, as appropriate. HUD's Fair Market Rent schedule for the Riverside/San Bernardino/Ontario MSA will be used. Should any gap be present, funds for this gap will be required from other sources of funding.

### Housing Rehabilitation/New Construction Standards:

The NSP3 funds will use the City of Riverside's standards from the ongoing Housing Rehabilitation Program (funded from HOME, CalHome and Redevelopment Housing funds):

- Code / Health & Safety Repairs – The first priority of the Housing Rehab Program is to eliminate, or otherwise "cure", any and all pre-existing Code violations and Health & Safety hazards. Therefore, all rehab projects must correct any pre-existing code deficiencies and/or health & safety related repairs needed. This includes pre-existing construction found that was done without City permits (room additions, garage conversions, patio additions, etc). All such pre-existing construction must be either brought up to code and obtain approved building permits, or must be demolished, as part of the rehab project.
- Lead Based Paint Hazards – An additional priority of the Housing Rehabilitation Program is to reduce any lead based paint hazards present in homes. A Lead-Based Paint test (XRF testing) and a Risk Assessment are required on all rehabilitation projects to identify the existence and scope of any lead based paint hazards in the home. The standards of "Lead-Based Paint Poisoning Prevention in Federally Owned and Federally Assisted Housing" found at 24 CFR Part 35 apply.
- Termite Repairs – The Program requires a Termite Inspection Report be prepared for every home by a licensed inspector. The report should identify any termite or dry rot damaged wood members in the home as well as whether or not there are any active termite infestations in the home. The program requires that any termite or dry rot damaged wood members in the home be replaced or repaired due to the health and safety risk they pose to the structural integrity of the home. Fumigation or other treatments recommended to eliminate any active termite infestations are required.
- General Property Improvements – Once the cost of repairing all code deficiencies, health and safety items, lead based paint hazards, and termite repairs are totaled up, then any additional program funding may be used to address general property improvements. General property improvements may include a wide variety of items such as painting, replacement of fixtures, replacement of cabinets and vanities, replacement of flooring, energy efficiency upgrades, etc. General property improvements may NOT include any materials or items that are of a type and quality which exceeds the standards for similar properties in the area, or that far exceed the basic standards of "decent, safe, and sanitary housing". The minimally acceptable standards may be found at 24 CFR 983.101

### Vicinity Hiring:

The City of Riverside will ensure that all construction contracts awarded with NSP3 funds include language regarding Section 3 and NSP3 vicinity hiring requirements and will monitor those contracts for compliance with these regulations.

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

The City of Riverside is proposing to use a significant portion of its NSP3 allocation (25%) for the acquisition and/or rehabilitation of multi-family properties. These properties will be used for long-term affordable rental housing units.

### Grantee Contact Information:

Michelle Davis, Housing Manager  
3900 Main St., 5th Floor  
Riverside, CA 92522

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Acquisition and Rehab	NSP1	Acquisition, Rehabilitation and Resale
2	Acquisition/Rehab/Rental	NSP2	Acquisition, Rehabilitation and Rental
3	Acquisition/Demolition/Redevelop	NSP3	Acquisition/Demolition/Redevelopment
4	Administration	NSP4	Administration
9999	Restricted Balance	No activities in this project	



## Activities

**Project # / Title:** 1 / Acquisition and Rehab

**Grantee Activity Number:** NSP1  
**Activity Title:** Acquisition, Rehabilitation and Resale

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

1

**Projected Start Date:**

03/01/2014

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

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

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Completed

**Project Title:**

Acquisition and Rehab

**Projected End Date:**

01/22/2015

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 342,811.06

**Other Funds** \$ 0.00

**Total Funds** \$ 342,811.06

**Proposed Beneficiaries**

# Owner Households

Total	Low	Mod	Low/Mod%
3		3	100.00
3		3	100.00

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

# of Properties

**Total**

3

3

3



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

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Riverside

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

City of Riverside

**Organization Type**

Unknown

**Proposed**

\$ 342,811.06

**Location Description:**

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.

<http://www.riversideca.gov/housing/stabilization-program.asp>

**Activity Description:**

This activity is for acquisition/rehabilitation/resale to first time homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be dependent on the household's debt capacity. Should there be an affordability gap, some portion of the City's original investment of acquisition and rehabilitation funds will remain in the property as a "silent second" (no monthly payments due, and a proportionate equity-share mechanism in lieu of interest) to be repaid upon change in title or status as owner-occupied housing. The property will have an affordability covenant recorded against it, for a period of 55 years. As with other assisted single family units through Riverside's rehabilitation programs and down-payment assistance programs, continued affordability is ensured through annual monitoring process. Initial acquisition by the City will be at least 1% below a current appraised value. The sales price will be no greater than the total investment by the City (including acquisition, rehabilitation and associated program delivery costs). For example, if a completed unit is sold for \$200,000, and \$25,000 remains as a "silent second", this amount represents 12.5% of the original purchase price. When the unit is sold in future years, the \$25,000 principal and 12.5% of any equity (increase in value less capital improvements and costs of sale) would be recaptured. For example if the unit is sold in the future for \$400,000, and capital improvements to the unit and costs of sale total \$50,000, then the amount due to the City would be \$43,750 (original principal of \$25,000, plus 12.5% of the equity which is calculated at \$400,000 less household's acquisition price of \$200,000, less \$50,000 in capital improvements and costs of sale: \$400,000 - \$200,000 = \$200,000; \$200,000 - \$50,000 = \$150,000; \$150,000 x 12.5% = \$18,750; \$18,750 + \$25,000 = \$43,750).

**Project # / Title: 2 / Acquisition/Rehab/Rental****Grantee Activity Number:**

NSP2

**Activity Title:**

Acquisition, Rehabilitation and Rental

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Completed

**Project Number:**

2

**Project Title:**

Acquisition/Rehab/Rental

**Projected Start Date:****Projected End Date:**

04/18/2011

**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.

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

03/01/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:**

\$ 2,759,786.69

**Other Funds**

\$ 0.00

**Total Funds**

\$ 2,759,786.69

**Proposed Beneficiaries**

# Renter Households

**Total**

72

**Low**

72

**Mod**

**Low/Mod%**

100.00

# of Households

72

72

100.00

**Proposed Accomplishments**

# of Multifamily Units

**Total**

72

# of Housing Units

72

# of Properties

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

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Riverside

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

**Responsible Organization**

City of Riverside

**Organization Type**

Unknown

**Proposed**

\$

**Location Description:**

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.

<http://www.riversideca.gov/housing/stabilization-program.asp>

**Activity Description:**

This activity is for acquisition/rehabilitation/rental, specifically for households earning less than 50% AMI. The City will acquire foreclosed multi-family structures, and/or provide funding for non-profit special needs housing.



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**Project # / Title: 3 / Acquisition/Demolition/Redevelopment**

<b>Grantee Activity Number:</b>	<b>NSP3</b>
<b>Activity Title:</b>	<b>Acquisition/Demolition/Redevelopment</b>

**Activity Type:**

Clearance and Demolition

**Activity Status:**

Completed

**Project Number:**

3

**Project Title:**

Acquisition/Demolition/Redevelopment

**Projected Start Date:**

04/18/2011

**Projected End Date:**

03/01/2014

**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

**National Objective:**

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

**Total Budget:** \$ 0.00**Other Funds** \$ 0.00**Total Funds** \$ 0.00**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># of Households</b>	2		2	100.00

**Proposed Accomplishments**

	<b>Total</b>
<b># of Singlefamily Units</b>	2
<b># of Housing Units</b>	2
<b># of Properties</b>	2



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

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Riverside

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

City of Riverside

**Organization Type**

Unknown

**Proposed**

\$ 0.00

**Location Description:**

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.

<http://www.riversideca.gov/housing/stabilization-program.asp>

**Activity Description:**

This activity is for acquisition/demolition/redevelopment of foreclosed, abandoned single family properties that would require more funds to rehabilitate than to demolish and rebuild. After consultation with the City's Building Official, a determination would be made to demolish the structure instead of attempting to rehabilitate it. The property would then be made available to non-profit housing providers to plan the redevelopment of the property as soon as feasible. Redevelopment may include sale of the property at current fair market value, or below current fair market value, or partnership with the non-profit agency.

**Project # / Title: 4 / Administration****Grantee Activity Number:**

NSP4

**Activity Title:**

Administration

**Activity Type:**

Administration

**Project Number:**

4

**Projected Start Date:**

01/01/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:****Activity Status:**

Completed

**Project Title:**

Administration

**Projected End Date:**

03/01/2014

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

\$ 344,732.86



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

<b>Other Funds</b>	\$ 0.00
<b>Total Funds</b>	\$ 344,732.86

**Environmental Assessment:**  
COMPLETED

**Benefit Report Type:**  
NA

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

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

**Organization carrying out Activity:**  
City of Riverside

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

Responsible Organization	Organization Type	Proposed
City of Riverside	Unknown	\$ 320,215.00

**Location Description:**

The City of Riverside, 3900 Main Street, Second Floor, Riverside, CA 92522

**Activity Description:**

The City will use up to 10% of the NSP3 funds for administration of the various programs and projects stated in the NSP Action Plan. Furthermore, if any program income is received, the City may elect to utilize 10% of that amount for future administration if needed.

Administration of NSP3 funds includes, but is not limited to, staffing costs to complete the following activities:

1. Overall administration of the NSP3 Program
  2. Compliance monitoring
  3. Environmental review for compliance with NEPA
  4. Contracting with consultant services for the implementation of program activities
  5. Procurement (including letting of appropriate Requests for Proposals, Notice of Funding Opportunities, etc.)
  6. Financial data collection and reporting
  7. Quarterly reporting
  8. Data entry and reporting through DRGR
  9. Providing technical assistance to activity sponsors
- Ensuring public participation

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**Action Plan Comments:**

Reviewer - DRGR report represent substantial amendment as submitted on 2/25/11 and amended to reflect a more specific target area that matches its impact number. Approved. RMD. 4/14/11.





Reviewer - Substantial Amendment submitted and approved via email on November 30, 2011. The amendment decreased Activity 1 (Acq. Rehab. Resale) from \$1,921,291 to \$1,121,829. and increased Activity 2 (Acq. Rehab. Rental) from \$800,538 to \$1,600,000. Approved. MEA 1/23/12

Reviewer - Grantee made changes in administrative person. hjb 4/30/12

Reviewer - Grantee submitted in error no changes made. 5/14/12

Reviewer - Grantee submitted in error no changes made. 5/14/12 hjb

Reviewer - Rejected per grantees request. EOO. 8/30/12.

Reviewer - Technical amendment to re-allocate \$400,000 from Project #1 to Project #2. Approved. EOO. 9/4/12.

Reviewer - Additional budgetary adjustments needed. Rejected. EOO. 10/5/12.

Reviewer - Minor amendment to re-allocate budgets across multiple activities. Approved. EOO. 10/10/12.

Reviewer - Technical amendment to re-allocate funds from acq/demo and acq/rehab/resale to rental activity. For specific comments, please refer to individual activity comment section. Approved. EOO. 9/30/13.

Reviewer - Minor amendment to revise activity types from "aquisition general" to "residential rehabilitation" per HQ directive on reporting. Approved. EOO. 1/24/14.

Reviewer - Grantee has requested AP to be rejected to process updates. RMD 4/24/14.

Reviewer - Minor Budget Amdments to Action Plan to faciliate Draws of Expended Funds. Approved RMD 4/29/14.

Reviewer - changes to "activity status" from "underway" to "complete". Approved. RMD. 1/22/15.

Reviewer - Changes made to organizations carrying out activities. Updating for close out. Approved. RMD. 1/22/15.

Reviewer - Approved. RMD. 10/20/15.

## Action Plan History

Version	Date
B-11-MN-06-0519 AP#1	10/20/2015
B-11-MN-06-0519 AP#2	01/22/2015
B-11-MN-06-0519 AP#3	01/22/2015
B-11-MN-06-0519 AP#4	04/29/2014
B-11-MN-06-0519 AP#5	01/24/2014
B-11-MN-06-0519 AP#6	09/30/2013
B-11-MN-06-0519 AP#7	10/10/2012
B-11-MN-06-0519 AP#8	09/04/2012
B-11-MN-06-0519 AP#9	05/14/2012
B-11-MN-06-0519 AP#10	04/30/2012
B-11-MN-06-0519 AP#11	01/23/2012
B-11-MN-06-0519 AP#12	04/14/2011



