

# Grantee: Compton, CA

## Grant: B-08-MN-06-0505

### July 1, 2019 thru September 30, 2019 Performance Report

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|   |   |  |
|---|---|--|
| <b>Grant Number:</b><br>B-08-MN-06-0505           | <b>Obligation Date:</b><br>03/18/2009         | <b>Award Date:</b><br>03/16/2009               |
| <b>Grantee Name:</b><br>Compton, CA               | <b>Contract End Date:</b>                     | <b>Review by HUD:</b><br>Reviewed and Approved |
| <b>Grant Award Amount:</b><br>\$3,242,817.00      | <b>Grant Status:</b><br>Active                | <b>QPR Contact:</b><br>Jocelyn Logan           |
| <b>LOCCS Authorized Amount:</b><br>\$3,242,817.00 | <b>Estimated PI/RL Funds:</b><br>\$595,098.00 |  |
| <b>Total Budget:</b><br>\$3,837,915.00            |   |  |

## Disasters:

### Declaration Number

NSP

## Narratives

### Areas of Greatest Need:

Housing prices have declined 14.3 percent from the peak. At the same time, unemployment is approximately 12.4 percent. There are currently 718 bank owned properties (REOs), 498 properties with a Notice of Default filed, and 278 additional properties scheduled for auction. Eighteen (18) census tracts were rated as 8 or 9 on the 10-point foreclosure risk scale developed by HUD.

### Distribution and and Uses of Funds:

The City will use the funding to address the number of foreclosed and abandoned homes located within the 18 cesus tracts noted as high risk and identified in the approved substantial amendment throughout the City. These 18 tracts are rated as high risk (score of 8 or 9) based on the 10-point foreclosure risk scale developed by HUD. The City will utilize NSP funds for the acquisition of foreclosed units in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures as evidenced by the HUD-provided data and current information on foreclosures.

### Definitions and Descriptions:

#### Blighted Structure

A blighted structure is a building 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. The City of Compton defines a "Blighted Structures" in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a) This subdivision describes physical conditions that cause blight: (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. (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. (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 present general plan and zoning standards and present market conditions.

#### Affordable Rents

"Affordable Rents" shall mean lower income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, affordable rent may be established at a level not to exceed 30 percent of gross income of the household. Affordable rents shall be determined in the same manner as pursuant to Health and Safety Code requirements.

#### Continued Affordability

The City of Compton shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties remain affordable to individuals or families with incomes below 120 percent of area median income or, for units originally assisted with funds under the requirements of Section 2301(f)(3)(A)(ii), remain affordable to individuals and families with incomes below 50 percent of area median income. The resale price, as determined by the City, must be affordable to the new purchaser and may not exceed the affordable housing cost for a low-income household. The affordable housing cost is the product of 30 percent times 80 percent of the area median income adjusted for family size appropriate for the property. Resale of the property by the participants during the affordability period to a new purchaser that is not a low-income household, does not intend to



occupy the property as a primary residence, or the resale price is not an affordable price, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges. During the affordability period, should participant transfer the property title, n

**Definitions and Descriptions:**

ot occupy the property as a primary residence or not comply with any portion of the loan agreement, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges. 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.

**Housing Rehabilitation Standards**

The City of Compton will ensure that all rehabilitation of residential properties utilizing NSP funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

**Low Income Targeting:**

**LOW INCOME TARGETING**

At least 25 percent of the City’s NSP funding must benefit persons at or below 50 percent of the median area income. The City intends to purchase, rehabilitate and dispose of foreclosed upon or abandoned residential properties to house individuals or families that meet this NSP income requirement.

**Acquisition and Relocation:**

**ACQUISITIONS AND RELOCATION**

The primary NSP eligible activity that the City will undertake involves the acquisition and disposition of homes and residential properties that have been abandoned or foreclosed upon. The City will then rehabilitate the home/unit to ensure that all health and safety and code violations are addressed prior to making any general property improvements. Rehabilitated homes/units will then be made available to first time homeownerships. The City will commence the acquisition and rehabilitation activity upon the release and authorization of NSP funds. All initial NSP funds for this activity will be committed within the statutory 18-month period, as set forth in Section 2301(c) (1) of HERA. The number of NSP affordable housing units that the City will make available to low-, moderate- and middle-income households will be determined by the current market conditions at the time of acquisition and rehabilitation. However, the City estimates that up to 2 NSP affordable housing units will be made available to households between 50 to 80 percent of area median income and 2 affordable housing units will be made available to households between 120 to 80 percent of area median income. The City does not anticipate carrying out any conversion activities. Moreover, the City will not undertake demolition activities of blighted structures. The City expects to acquire, rehabilitate and rent approximately 6 units to renters at or below 50 percent of the area median income. At least 25 percent of NSP funds must benefit persons who meet this income requirement.

**Public Comment:**

A 15-day public comment period for the 2nd Substantial Amendment to the NSP Action Plan covering the period from June 17, 2010, to July 1, 2010, was published, however, no public comments were received during the noticing period. The amendment is posted to the City’s website pursuant to NSP requirements.

| <b>Overall</b>                                 | <b>This Report Period</b> | <b>To Date</b> |
|--|---------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                       | \$3,797,817.00 |
| <b>Total Budget</b>                            | \$0.00                    | \$3,797,817.00 |
| <b>Total Obligated</b>                         | \$25,882.85               | \$3,601,161.38 |
| <b>Total Funds Drawdown</b>                    | \$25,882.85               | \$3,601,161.38 |
| <b>Program Funds Drawdown</b>                  | \$0.00                    | \$3,138,919.02 |
| <b>Program Income Drawdown</b>                 | \$25,882.85               | \$462,242.36   |
| <b>Program Income Received</b>                 | \$36,300.00               | \$694,598.00   |
| <b>Total Funds Expended</b>                    | \$0.00                    | \$3,512,670.86 |
| <b>Most Impacted and Distressed Expended</b>   | \$0.00                    | \$0.00         |
| <b>Match Contributed</b>                       | \$0.00                    | \$0.00         |



## Progress Toward Required Numeric Targets

| Requirement  | Target              | Actual                |
|--|---------------------|-----------------------|
| Overall Benefit Percentage (Projected)             |                     | 0.00%                 |
| Overall Benefit Percentage (Actual)                |                     | 0.00%                 |
| Minimum Non-Federal Match                          | \$0.00              | \$0.00                |
| Limit on Public Services                           | \$486,422.55        | \$0.00                |
| Limit on Admin/Planning                            | \$324,281.70        | \$375,906.52          |
| Limit on Admin                                     | \$0.00              | \$375,906.52          |
| Most Impacted and Distressed Threshold (Projected) | \$0.00              | \$0.00                |
| <b>Progress towards LH25 Requirement</b>           | <b>\$959,478.75</b> | <b>\$1,584,170.35</b> |

## Overall Progress Narrative:

During the reporting period of July 1, 2019 through September 30, 2019, the project at 867 Raymond was completed. Work at 714 N. Locust continued and project is expected to be completed next quarter. No NSP 1 admin funds were expended. Approximately \$9,900 of program income was received from the WIN Project for the loan repayments on the properties at Caldwell, Bradfield, and 130th.

## Project Summary

| Project #, Project Title        | This Report            | To Date                |                        |
|---------------------------------|------------------------|------------------------|------------------------|
|                                 | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| NSP-1, Acquisition/Rehab/Resale | \$0.00                 | \$1,777,912.00         | \$1,444,648.70         |
| NSP-2, Acquisition/Rehab/Rental | \$0.00                 | \$1,640,624.00         | \$1,458,170.62         |
| NSP-3, NSP Administration       | \$0.00                 | \$379,281.00           | \$236,099.70           |



# Activities

**Project # / NSP-1 / Acquisition/Rehab/Resale**

**Grantee Activity Number: NSP-1.1**  
**Activity Title: Acquisition/Rehab/Resale**

**Activity Category:**  
 Rehabilitation/reconstruction of residential structures

**Activity Status:**  
 Under Way

**Project Number:**  
 NSP-1

**Project Title:**  
 Acquisition/Rehab/Resale

**Projected Start Date:**  
 04/01/2009

**Projected End Date:**  
 07/31/2013

**Benefit Type:**  
 Direct ( HouseHold )

**Completed Activity Actual End Date:**

**National Objective:**  
 NSP Only - LMMI

**Responsible Organization:**  
 City of Compton Redevelopment Agency

| Overall  | Jul 1 thru Sep 30, 2019 | To Date        |
|--|-------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                     | \$1,777,912.00 |
| <b>Total Budget</b>                            | \$0.00                  | \$1,777,912.00 |
| <b>Total Obligated</b>                         | \$13,500.00             | \$1,641,084.51 |
| <b>Total Funds Drawdown</b>                    | \$13,500.00             | \$1,641,084.51 |
| <b>Program Funds Drawdown</b>                  | \$0.00                  | \$1,444,648.70 |
| <b>Program Income Drawdown</b>                 | \$13,500.00             | \$196,435.81   |
| <b>Program Income Received</b>                 | \$0.00                  | \$432,699.50   |
| <b>Total Funds Expended</b>                    | \$0.00                  | \$1,576,584.51 |
| City of Compton Redevelopment Agency           | \$0.00                  | \$1,576,584.51 |
| <b>Most Impacted and Distressed Expended</b>   | \$0.00                  | \$0.00         |
| <b>Match Contributed</b>                       | \$0.00                  | \$0.00         |

## Activity Description:

This activity is for acquisition, rehabilitation, and resale of properties to eligible homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be based on their affordability term. A 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 silent second will be provided at a 0% interest rate.

The property will have an affordability covenant recorded against it for a period of 15 years. As with other assisted single-family units through Compton's housing assistance programs, continued affordability is ensured through an annual monitoring process. Initial acquisition cost will average at least one percent (1%) below the 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).

## Location Description:

The City has identified 18 census tract areas of greatest need where NSP funds will be used. These census



tracts are the high foreclosure rate areas as listed in the approved substantial amendment.

**Activity Progress Narrative:**

During the reporting period of July 1, 2019 through September 30, 2019, the project at 867 Raymond was completed. Work at 714 N. Locust continued and project is expected to be completed next quarter.

**Accomplishments Performance Measures**

|                 | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
|                 | Total              | Total                              |
| # of Properties | 0                  | 8/4                                |

|                         | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
|                         | Total              | Total                              |
| # of Housing Units      | 0                  | 8/4                                |
| # of Singlefamily Units | 0                  | 8/4                                |

**Beneficiaries Performance Measures**

|                    | This Report Period |     |       | Cumulative Actual Total / Expected |     |       |         |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
|                    | Low                | Mod | Total | Low                                | Mod | Total | Low/Mod |
| # of Households    | 0                  | 0   | 0     | 7/0                                | 1/4 | 8/4   | 100.00  |
| # Owner Households | 0                  | 0   | 0     | 7/0                                | 1/4 | 8/4   | 100.00  |

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |

**Project # / NSP-2 / Acquisition/Rehab/Rental**

|                                 |                                 |
|---------------------------------|---------------------------------|
| <b>Grantee Activity Number:</b> | <b>NSP-2.1</b>                  |
| <b>Activity Title:</b>          | <b>Acquisition/Rehab/Rental</b> |

|  |  |
|--|--|
| <b>Activity Category:</b><br>Rehabilitation/reconstruction of residential structures | <b>Activity Status:</b><br>Under Way                                     |
| <b>Project Number:</b><br>NSP-2  | <b>Project Title:</b><br>Acquisition/Rehab/Rental                        |
| <b>Projected Start Date:</b><br>04/01/2009   | <b>Projected End Date:</b><br>07/31/2013                                 |
| <b>Benefit Type:</b><br>Direct ( HouseHold )   | <b>Completed Activity Actual End Date:</b>                               |
| <b>National Objective:</b><br>NSP Only - LH - 25% Set-Aside                          | <b>Responsible Organization:</b><br>City of Compton Redevelopment Agency |

| Overall                                 | Jul 1 thru Sep 30, 2019 | To Date        |
|---|-------------------------|----------------|
| Total Projected Budget from All Sources | N/A                     | \$1,640,624.00 |



|  |             |                |
|--|-------------|----------------|
| <b>Total Budget</b>                          | \$0.00      | \$1,640,624.00 |
| <b>Total Obligated</b>                       | \$0.00      | \$1,584,170.35 |
| <b>Total Funds Drawdown</b>                  | \$0.00      | \$1,584,170.35 |
| <b>Program Funds Drawdown</b>                | \$0.00      | \$1,458,170.62 |
| <b>Program Income Drawdown</b>               | \$0.00      | \$125,999.73   |
| <b>Program Income Received</b>               | \$36,300.00 | \$261,898.50   |
| <b>Total Funds Expended</b>                  | \$0.00      | \$1,584,170.35 |
| City of Compton Redevelopment Agency         | \$0.00      | \$1,584,170.35 |
| <b>Most Impacted and Distressed Expended</b> | \$0.00      | \$0.00         |
| <b>Match Contributed</b>                     | \$0.00      | \$0.00         |

**Activity Description:**

This activity is for acquisition, rehabilitation, and rental, specifically for households earning less than 50% AMI. The City will select a qualified non-profit agency or a for profit development partner for the acquisition and rehabilitation of single-family or multi-family units for rental to households at or below 50% AMI and/or permanent supportive housing for special needs populations to expand affordable housing opportunities in this area.

**Location Description:**

The City has identified 18 census tract areas in which NSP funds will be used. These census tracts have been identified as the high foreclosure rate areas in the approved substantial amendment.

**Activity Progress Narrative:**

During the reporting period of July 1, 2019 through September 30, 2019, the City continued to focus on the resale program. Approximately \$9,900 of program income was received from the WIN Project for the loan repayments on the properties at Caldwell, Bradfield, and 130th.

**Accomplishments Performance Measures**

|                        | This Report Period | Cumulative Actual Total / Expected |
|------------------------|--------------------|------------------------------------|
|                        | <b>Total</b>       | <b>Total</b>                       |
| <b># of Properties</b> | 0                  | 3/2                                |

  

|                               | This Report Period | Cumulative Actual Total / Expected |
|-------------------------------|--------------------|------------------------------------|
|                               | <b>Total</b>       | <b>Total</b>                       |
| <b># of Housing Units</b>     | 0                  | 0/6                                |
| <b># of Multifamily Units</b> | 0                  | 0/6                                |

**Beneficiaries Performance Measures**

|                            | This Report Period |     |       | Cumulative Actual Total / Expected |     |       |         |
|----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
|                            | Low                | Mod | Total | Low                                | Mod | Total | Low/Mod |
| <b># of Households</b>     | 0                  | 0   | 0     | 11/6                               | 0/0 | 11/6  | 100.00  |
| <b># Renter Households</b> | 0                  | 0   | 0     | 11/6                               | 0/0 | 11/6  | 100.00  |

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**



**Other Funding Sources****Amount**

No Other Funding Sources Found

Total Other Funding Sources

**Project # / NSP-3 / NSP Administration****Grantee Activity Number: NSP-3.1****Activity Title: NSP Administration****Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

NSP-3

**Project Title:**

NSP Administration

**Projected Start Date:**

11/01/2008

**Projected End Date:**

07/31/2017

**Benefit Type:**

( )

**Completed Activity Actual End Date:****National Objective:**

N/A

**Responsible Organization:**

City of Compton Redevelopment Agency

| <b>Overall</b>                                 | <b>Jul 1 thru Sep 30, 2019</b> | <b>To Date</b> |
|--|--------------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                            | \$379,281.00   |
| <b>Total Budget</b>                            | \$0.00                         | \$379,281.00   |
| <b>Total Obligated</b>                         | \$12,382.85                    | \$375,906.52   |
| <b>Total Funds Drawdown</b>                    | \$12,382.85                    | \$375,906.52   |
| <b>Program Funds Drawdown</b>                  | \$0.00                         | \$236,099.70   |
| <b>Program Income Drawdown</b>                 | \$12,382.85                    | \$139,806.82   |
| <b>Program Income Received</b>                 | \$0.00                         | \$0.00         |
| <b>Total Funds Expended</b>                    | \$0.00                         | \$351,916.00   |
| City of Compton Redevelopment Agency           | \$0.00                         | \$351,916.00   |
| <b>Most Impacted and Distressed Expended</b>   | \$0.00                         | \$0.00         |
| <b>Match Contributed</b>                       | \$0.00                         | \$0.00         |

**Activity Description:**

This activity is grant administration which includes but is not limited to the following activities:

- Compliance monitoring (NSP requirements, Labor Standards, Section 3, procurement, conflict of interest, EEO, URA, Affirmative Marketing, etc.)
- Environmental review for compliance with the National Environmental Policies Act (NEPA)
- Contracting
- Procurement (including letting of appropriate Requests for Proposals, Notices of Funding Opportunities, Etc.)
- Financial data collecting and reporting
- Quarterly reporting

- Data entry and reporting through DRGR
- Providing technical assistance to activity sponsors
- Ensuring public participation

**Location Description:**

Not Applicable. Administration funds will be used to support other NSP-funded investments which will be concentrated in the eleven priority census tract areas.

**Activity Progress Narrative:**

During the reporting period of July 1, 2019 through September 30, 2019, the project at 867 Raymond was completed. Work at 714 N. Locust continued and project is expected to be completed next quarter. No NSP 1 admin funds were expended. Approximately \$9,900 of program income was received from the WIN Project for the loan repayments on the properties at Caldwell, Bradfield, and 130th.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources

