

Grantee: Indio, CA

Grant: B-09-CN-CA-0044

October 1, 2021 thru December 31, 2021

Grant Number: B-09-CN-CA-0044	Obligation Date:	Award Date:
Grantee Name: Indio, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$8,310,000.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$8,310,000.00	Estimated PI/RL Funds: \$9,331,316.00	
Total Budget: \$17,641,316.00		

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

Background Approximately 1 in 10 homes (9.8%) of all housing units in the City of Indio became Real Estate Owned (REO) from 2004 to 2007. Foreclosure and pre-foreclosure rate skyrocketed from 1,400 homes in January 2008, to 2,800 homes in January 2009. The number of homes vacated and owned by lenders or absentee owners became, and remains today, a factor contributing to instability in those neighborhoods most plagued by the foreclosure crisis. The number of current pre-foreclosure properties is an indication that the problem is not over. The City of Indio is preparing for another wave of vacant and foreclosed properties anticipated in 2010. In 2009, President Obama signed the American Recovery and Reinvestment Act, which allocated \$1.93 billion in competitive grants for a second round of Neighborhood Stabilization (NSP) funds, entitled NSP2. State and local governments and nonprofit agencies can use NSP2 funds to address the housing foreclosure crisis and stabilize affected neighborhoods. The City of Indio has been awarded \$8,310,000 in NSP2 funds to acquire, rehabilitate, and resell up to 100 foreclosed and abandoned single-family homes. The City of Indio with its Consortium Partners plans to use NSP2 funds to acquire and demolish approximately five blighted properties work with Habitat for Humanity to rebuild replacement housing. As developed by the City and its Consortium Partners, the City of Indio's NSP2 Program is designed to reduce the number of vacant and abandoned properties in target residential neighborhoods resulting in the elimination of blight and other public safety concerns as well as the stabilization of home values. Target Areas The City and its Consortium Members selected three (3) NSP2 Program Target Areas based on several determining factors, which included the rate of foreclosures and pre-foreclosures, the level of potential positive impact as a result of intervention by the Program, and other factors provided by HUD. The three (3) neighborhoods that exhibited the highest degrees of need were the areas most affected by the housing/foreclosure crisis. The areas are delineated by the following Census Tracts: Madison West-Neighborhood (Census Tract 452.04), Sun Gold Park Neighborhood (Census Tract 455.02), and North-Central Area (Census Tract 453.02). On May 8, 2014 the City of Indio submitted an NSP2 Consortium amendment application to HUD which was approved on June 6, 2014. The approved amendment resulted solely in a target area expansion which added seven (7) additional census tracts to the existing program activities and delivery standards. The approved target area consists of census tracts 453.01, 454.00, 455.01, 452.03, 452.07, 452.08 and 452.09. NSP 2 Strategies The main objective of the City Indio is to acquire, rehabilitate and resell 100 foreclosed and abandoned homes in the NSP2 targeted areas as a way to strategically address the negative impacts of foreclosures and vacant housing. To the extent feasible, the City will utilize other available community resources (such as Redevelopment Agency funds) to leverage the NSP2 Funds and have greater impact on residential neighborhoods. The City of Indio NSP2 Program will incorporate, to the extent feasible, green building standards and cost-saving measures to make the homes more affordable to low and moderate/middle income homebuyers.

Executive Summary:

As part of the property acquisition, rehabilitation and resale component a purchase assistance mechanism will be in place which may include soft seconds, loan loss reserves, and shared-equity loans. The NSP2 Program will focus on purchasing homes that are least likely to be purchased because of the extent and the cost of the rehabilitation required to bring the home up to code and into move-in condition and reselling them to lower income homebuyers. P

Target Geography:

The City and its Consortium Members selected three (3) NSP2 Program Target Areas based on several determining factors, which included the rate of foreclosures and pre-foreclosures, the level of potential positive impact as a result of intervention by the Program, and other factors provided by HUD. The three Census tracts/neighborhoods were also selected based on the following local conditions and indicators of need:



- As of July 2009, foreclosure rates topped at 30.5%;
- As of July 2009, 27% of mortgages were high-cost and high-leveraged.
- Price change between peak housing value and December 2008 housing was minus 40.1% (-40.1%);
- 80.5 % percent of families living in these three census tracts were low to moderate income families.
- This fact is reflected in the high percentage of students qualifying for free or reduced price lunches in all three schools located in the target neighborhoods as shown below:

James Madison Elementary: 70%,
 Andrew Jackson Elementary: 87%, and
 Hoover Elementary: 94%.

All of Sungold Park and North-Central and a portion of Madison-West are located in State-designated Enterprise Zones. All of Sungold Park and North-Central, and a portion of Madison-West are located in the City of Indio Merged Redevelopment Area. On June 6, 2014 because of the shortage of available REO properties throughout the older and geographic core of the City, the NSP2 Consortium expanded the target areas to those adjacent census tracts which similarly reflect the neighborhood characteristics of the initial three. The approved target area consists of census tracts 453.01, 454.00, 455.01, 452.03, 452.07, 452.08 and 452.09.

Program Approach:

Program Approach: The NSP2 Program will be implemented through public and private partnerships, with mortgage lenders, the City of Indio, the Indio Redevelopment Agency, and Rancho Housing Alliance, Inc. The Indio NSP2 will program transform blighted, foreclosed vacant properties through rehabilitation. A key feature of the City of Indio NSP2 approach will focus on homes least likely to be purchased because of the amount of the rehabilitation required. By purchasing and providing incentives to purchase these properties the City of Indio will remove some of the worst eyesores and opportunities for criminal activities from the target area neighborhoods. Stability will result in increased community pride and pride results in higher standards for property upkeep, crime prevention and commitment to safety. The two programs below can be used in combination or separately from each target area. (1) Acquisition, Rehabilitation and Resale Program The Acquisition, Rehabilitation and Resale Program will be operated by Rancho Housing Alliance, Inc (RHA) a nonprofit 501(c)(3), Consortium member. RHA will acquire abandoned and foreclosed properties from the National Stabilization Trust and will rehabilitate them and offer them for sale to eligible homebuyers. RHA and the City will also utilize information from Indio’s Foreclosed Property Registration and Mitigation Program. This program requires banks and lenders to maintain and register all vacant foreclosed properties with the Indio Police Department. The registered properties list will be used as one tool to identify and analyze vacant properties for NSP2 program participation. RHA has already accumulated a first-time homebuyer waiting list of 2,200 families. This waiting list will be used as one tool to match families with NSP2 properties. RHA will work with the City of Indio Redevelopment Agency to utilize \$425,000 dollars to rehabilitate foreclosed properties in the target neighborhoods. The prospective buyers will be required to attend pre-acquisition and post acquisition HUD-certified homebuyer counseling. All moderate rehabilitation work will include the purchase of Energy Star products and appliances. This includes refrigerators, dishwashers, washing machines, light bulbs, light fixtures, and water heaters, which may include gas tanks, tankless models, heat pumps, and solar with electric back-up, heating and cooling systems, and roof products. (2) Acquisition, Demolition and Redevelopment Program The City of Indio with the help of RHA will oversee the acquisition of properties through REO lenders and real estate brokers. The residential properties may be in such bad conditions that they will need to be demolished. The City and RHA will work with Habitat for Humanity to rebuild affordable replacement housing for families earning at or below 50% AMI. The City of Indio with the help of RHA will oversee the construction to make sure that it meets all construction/permit and affordability requirements. Continued Affordability for NSP2 Funded Homeownership Properties To ensure continued affordability for NSP funded properties sold to homeowners, the City of Indio is adopting HUD's recapture provision. Targeted income-eligible first time homebuyers will earn less than 50%, 80%, and not more than 120% Area Median Income and will be assisted through soft seconds, loa

Program Approach:

n loss reserves, and shared-equity loans. The amount of the assistance will be dependent on the sales prices and household debt capacity. Should there be an affordability gap, some portion of the original investment in 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 a recorded lien

Consortium Members:

Consortium Members:
 City of Indio (Lead Agency):

The City of Indio is the lead applicant for this NSP2 grant proposal and is a unit of general local government.

Rancho Housing Alliance (Non-profit Partner):

Rancho Housing Alliance, Inc. is a Consortium Member and is a non-profit organization which will help implement various parts of the program as described above.

Redevelopment Agency of the City of Indio (Redevelopment Agency Partner):

The Redevelopment Agency of the City of Indio is a Consortium Member. The City Council Members of the Indio City Council are also designated, and serve, as the Redevelopment Agency of the City pursuant to California Health and Safety Code Section 33200.

How to Get Additional Information:

To obtain additional information regarding the City’s NSP2 Program, Please write visit or call:

City of Indio
 100 Civic Center Mall
 Indio, CA 92201
 (760) 391-4120
 www.indio.org



or

Rancho Housing Alliance, Inc.
 53-990 Enterprise Way, Suite 1
 Coachella, California 92236
 (760) 391-5050 / Fax (760) 5100

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$17,333,900.00
Total Budget	\$0.00	\$17,333,900.00
Total Obligated	\$0.00	\$17,333,900.00
Total Funds Drawdown	\$0.00	\$16,421,131.82
Program Funds Drawdown	\$0.00	\$8,310,000.00
Program Income Drawdown	\$0.00	\$8,111,131.82
Program Income Received	\$0.00	\$9,349,931.77
Total Funds Expended	\$0.00	\$16,746,387.52
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of Indio1	\$ 0.00	\$ 2,050,828.38
City of Indio2	\$ 0.00	\$ 0.00
Rancho Housing Alliance, Inc.	\$ 0.00	\$ 14,695,559.14

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$15,772,606.74	\$.00	\$.00
Limit on Public Services	\$.00	\$.00	\$.00
Limit on Admin/Planning	\$831,000.00	\$1,709,390.00	\$1,698,777.85
Limit on Admin	\$.00	\$1,709,390.00	\$1,698,777.85
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$4,410,329.00		\$5,219,349.70

Overall Progress Narrative:

During the Reporting Period, the City continued to maintain the City's final NSP2 purchase/rehab/resale home. The City also worked with its NSP2 Consultant to identify a qualified LH25 homebuyer. It is contemplated the home will be sold during the next Reporting Period. The City has also been working with a HUD technical support consultant to complete reconciliation that is necessary for Program Close-out.



Project Summary

Project #, Project Title

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0, 00000000000	\$0.00	\$0.00	\$0.00
000, 00000	\$0.00	\$0.00	\$0.00
01-Admin., Administration	\$0.00	\$1,709,390.00	\$1,143,650.96
02 Eligible Use B, Acquisition/Rehabilitation/Resell	\$0.00	\$15,021,510.00	\$6,765,466.91
03 - Eligible Use E, Redevelopment	\$0.00	\$603,000.00	\$400,882.13
NSP2 PI Waiver, NSP2 Program Incom	\$0.00	\$0.00	\$0.00

