

Grantee: Compton, CA

Grant: B-11-MN-06-0505

July 1, 2019 thru September 30, 2019 Performance Report

Grant Number: B-11-MN-06-0505	Obligation Date:	Award Date:
Grantee Name: Compton, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$1,436,300.00	Grant Status: Active	QPR Contact: Jocelyn Logan
LOCCS Authorized Amount: \$1,436,300.00	Estimated PI/RL Funds: \$691,543.76	
Total Budget: \$2,127,843.76		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Allocation	Description
\$430,000	Acquisition Rental Program
\$862,700	Acquisition Re-sale Program
\$143,600	Program Administration
\$1,436,300	Total NSP3 Grant Allocation

In addition, program income is estimated at \$350,000 allocated as follows:  
\$35,000 Program Administration  
\$315,000 Acquisition Re-sale Program

How Fund Use Addresses Market Conditions:

Funds are concentrated in the census tracts and block groups with the highest need and in sufficient amount to achieve significant impact, the City analyzed those areas with minimum risk score of 20, which were also adjacent to the City's North Downtown Specific Plan Area. Per the grant regulations, areas must not have less than the state average minimum risk score; which is 17 or the twentieth percentile of the state. Using a minimum risk score of 20, which is also the highest, allows funds to be directed to those areas with the highest percentage of home foreclosures, and the highest percent of homes financed by sub-prime mortgage related loans which are likely to face a significant rise in the rate of home foreclosures.

The City identified several census tracts with need scores of 20, and then refined these eligible areas into block groups where the available funding could be used to successfully impact the neighborhood by meeting HUD's impact number. Since, the City was able to acquire and rehabilitate 22 housing units with \$3,242,817 of NSP1 funds and the NSP3 grant is approximately 44 percent less than that amount, staff determined that approximately nine (9) housing units would be the most realistic impact number that could be achieved.

The North Downtown Specific Plan Area 1, shown on the map at the end of this document, was determined to meet that criterion. Since the location is small, there may not be sufficient foreclosure inventory to reach the impact goal. If proposed outcomes are not achieved because of limited available resources, activities will be redirected from the first target area and a second may be utilized. The current target area identified is made up of census tracts 5424.01 and 5425.02. The Need Score of this area is 20, with 510 total housing units in the area. Approximately 72 percent of persons make less than 120% AMI and 54 percent make less than 80% AMI. HUD data shows that 399 housing units received a mortgage between 2004 and 2007; 38 percent of which were high cost mortgages. Approximately 23 percent of housing units are 90 days or more delinquent or are in foreclosure. In the past year, 43 Foreclosure Starts were recorded and there were 25 Real Estate Owned units from July 2009 through June 2010. In order to impact at least 20% of the Real Estate Owned foreclosures in the target area, nine (9) properties are needed. The City's target area for the NSP3 program was developed pursuant to HUD guidelines as described below:

- Greatest percentage of home foreclosure;
- Highest percentage of homes financed by a subprime mortgage related loan;
- Areas identified as the most likely to face a significant rise in the rate of home foreclosures; and

- The ability to impact at least 20% of the Real Estate Owned foreclosures in the target area.

### Ensuring Continued Affordability:

To ensure the continued affordability of projects funded by NSP3, affordability covenants will be recorded against the property, thereby restricting the properties for rental or purchase by low and moderate-income households. For rental projects, the restriction period could range from 5 to 20 years depending on the amount of the NSP3 investment. For sale properties, affordability will be required for a period of forty-five (45) years. Additionally, the City will annually monitor these properties to ensure compliance with the occupancy requirements.

### Definition of Blighted Structure:

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.

Section 24 – Property Maintenance & Public Nuisance, of the Compton Municipal Code references blighted structures to buildings or conditions, which will impair or destroy the quality of life, to the detriment of the city, through the deterioration of property and business values for adjacent properties.

In addition, the overall spirit of all the regulatory codes used in Code Enforcement are designed and written so as to provide standards, which in their application and enforcement will eliminate blighted structures and conditions in whatever capacity it may appear.

### Definition of Affordable Rents:

The generally accepted affordability standard or "Affordable Rent" is rent that does not exceed 30% of the household's income. The CDBG program does not mandate the exact rent to be applied to NSP3 properties. Jurisdictions are, however, allowed to determine the rent standard to be applied and may adopt rent limits similar to those used for the HOME Program. Whichever standard is approved, the rents must be truly affordable to low and moderate income households.

For the purpose of a definition of affordable rents, the City of Compton shall define such as 30% of the household's adjusted income, less utility allowance as adopted by the Housing Authority of the County of Los Angeles Section 8 program. HUD's Fair Market Rent schedule for the Los Angeles MSA will be used. Should any gap be present, funds from this gap will be required from other sources of funding.

### Housing Rehabilitation/New Construction Standards:

The City of Compton will use the housing rehabilitation standards per the requirements of the City's Municipal Code Section 18.72.010, California Health and Safety Code, the Building Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, the Uniform Housing Code, and relevant sections of Title 24 that pertain to disability access. All housing rehabilitation will be required to have a permit issued and an inspection conducted by the City of Compton Building Division.

The inspection of the homes will be conducted to determine all deficiencies as described above through an evaluation. The deficiencies will include any required termite repairs and general property improvements. The rehabilitation may include improvements for greater energy efficiency, modifications that aid the mobility of the elderly and physically disabled, and repairs that remedy existing nonconforming uses or illegal additions. The projected total amount of required rehabilitation will be made and a written scope of repairs of required rehabilitation will be prepared. City staff will have the authority to either accept or reject the written scope of repairs and costs.

General property improvements may not include any repairs that far exceed the basic standards of "decent, safe, and sanitary housing" and other items deemed ineligible by the City Administrator or his/her designee.

In addition to the property deficiencies, the following shall apply:

The City will also require that the rehabilitation work also include controlling or abating any lead based paint hazards present in homes built before 1978. A lead-base paint test and a risk assessment will be conducted to identify any lead based paint hazards. The standards of "Lead-Based Paint Poisoning Prevention in Federally Owned and Federally Assisted Housing" found at 24 CFR Part 35 apply.

The City will require removal of materials containing asbestos, if necessary, as part of the rehabilitation.

### Vicinity Hiring:

The Frank-Dodd bill stipulated that grantees should, "to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity. For the purposes of NSP 3, "vicinity" is defined as the target area or area of greatest need. The vicinity hiring requirement implicates the grantee, as well as developers, contractors, and vendors who hire and subcontract for NSP 3 funded projects. The City of Compton will follow its current Section 3 Plan and follow HUD's suggestion that grantees should, when faced with a choice between a qualified contractor/developer/job applicant located in the vicinity area and a qualified contractor/developer/ job applicant from outside the vicinity area, select the qualified contractor/developer/ job applicant from inside the area.

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

The City is committed to ensuring that a minimum of 25% of NSP3 funding will be used to assist very low-income households (<50% AMI), utilizing strategies previously employed in the NSP1 program. This will be accomplished through the Acquisition/ Rehabilitation/Rental Program; however, homeownership opportunities will not be excluded, should housing prices allow for loan qualification. The City will require any partner selected to provide rental housing under this capacity to have a proven track record in rental property management and providing services to households at or below 50 percent AMI.

HUD data shows that approximately 54 percent of the people in the target area earn less than 80 percent of the AMI. The

City will appropriate funds per NSP3 guidelines as follows:  
Total low-income set-aside percentage (must be no less than 25 percent): 25.00%  
Total funds set aside for low-income individuals = \$359,075

Grantee Contact Information:

NSP3 Program Administrator Contact Information  
Name (Last, First): Antwine, Michael  
Email Address: mantwine@comptoncity.org  
Phone Number: (310) 605-5511  
Mailing Address: 205 S. Willowbrook Avenue Compton, California 90220

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,127,843.76
Total Budget	\$0.00	\$2,127,843.76
Total Obligated	\$14,445.02	\$1,763,333.00
Total Funds Drawdown	\$14,445.02	\$1,763,333.00
Program Funds Drawdown	\$0.00	\$1,207,695.20
Program Income Drawdown	\$14,445.02	\$555,637.80
Program Income Received	\$0.00	\$753,293.76
Total Funds Expended	\$0.00	\$1,644,862.98
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$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	\$215,445.00	\$0.00
Limit on Admin/Planning	\$143,630.00	\$210,235.79
Limit on Admin	\$0.00	\$210,235.79
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$531,960.94	\$414,770.37

Overall Progress Narrative:

During the reporting period of July 1, 2019 through September 30, 2019, rehabilitation at 318 W. Palmer was complete. No NSP 3 admin funds were spent. The City plans on closing out the grant.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
3.1, Acquisition Rental Rehab	\$0.00	\$680,000.00	\$302,760.37
3.2, Acquisition Rehab Resale	\$0.00	\$1,235,059.38	\$792,001.96
3.3, NSP 3 Administration	\$0.00	\$212,784.38	\$112,932.87

# Activities

Project # / 3.1 / Acquisition Rental Rehab

Grantee Activity Number:	3.1
Activity Title:	Acquisition, Rehabilitation, Rental Program

Activitiy Category:	Activity Status:
Rehabilitation/reconstruction of residential structures	Under Way
Project Number:	Project Title:
3.1	Acquisition Rental Rehab
Projected Start Date:	Projected End Date:
04/01/2011	06/30/2014
Benefit Type:	Completed Activity Actual End Date:
Direct ( HouseHold )	
National Objective:	Responsible Organization:
NSP Only - LH - 25% Set-Aside	City of Compton Redevelopment Agency

Overall	Jul 1 thru Sep 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$680,000.00
Total Budget	\$0.00	\$680,000.00
Total Obligated	\$0.00	\$414,770.37
Total Funds Drawdown	\$0.00	\$414,770.37
Program Funds Drawdown	\$0.00	\$302,760.37
Program Income Drawdown	\$0.00	\$112,010.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$414,770.37
City of Compton Redevelopment Agency	\$0.00	\$414,770.37
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

## Activity Description:

Funds will be used to acquire and rehabilitate multi-family properties to provide rental opportunities to those earning lower incomes. Sale of the property will be with a non-profit housing service provider and occupancy will be restricted to households whose annual income does not exceed 50 percent of the area median income as determined by HUD. To ensure the continued affordability of projects funded by NSP3, affordability covenants will be recorded against the property, thereby restricting the properties for rental or purchase by low]and moderate-income households. For rental projects, the restriction period could range from 5 to 20 years depending on the amount of the NSP3 investment. For sale properties, affordability will be required for a period of forty-five (45) years. Additionally, the City will annually monitor these properties to ensure compliance with the occupancy requirements.

## Location Description:

North Downtown Specific Plan Area 1

Activity Progress Narrative:

During the reporting period of July 1, 2019 through September 30, 2019, the City did not work on the rental program, instead the City focused on the resale program.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	2/4	0/0	2/4	100.00
# Renter Households	0	0	0	2/4	0/0	2/4	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 # / 3.2 / Acquisition Rehab Resale

Grantee Activity Number:	3.2
Activity Title:	Acquisition, Rehabilitation, Resale Program

Activitiy Category:  
Rehabilitation/reconstruction of residential structures

Project Number:  
3.2

Projected Start Date:  
04/01/2011

Benefit Type:  
Direct ( HouseHold )

National Objective:  
NSP Only - LMMI

Activity Status:  
Under Way

Project Title:  
Acquisition Rehab Resale

Projected End Date:  
06/30/2014

Completed Activity Actual End Date:

Responsible Organization:  
City of Compton Redevelopment Agency

Overall	Jul 1 thru Sep 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$1,235,059.38
Total Budget	\$0.00	\$1,235,059.38
Total Obligated	\$30.00	\$1,138,326.84
Total Funds Drawdown	\$30.00	\$1,138,326.84

Program Funds Drawdown	\$0.00	\$792,001.96
Program Income Drawdown	\$30.00	\$346,324.88
Program Income Received	\$0.00	\$753,293.76
Total Funds Expended	\$0.00	\$1,034,271.84
City of Compton Redevelopment Agency	\$0.00	\$1,034,271.84
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

### Activity Description:

Funds will be used to acquire and rehabilitate single-family properties to provide homeownership opportunities to those earning lower incomes. Sale and occupancy will be restricted to households whose annual income does not exceed 120 percent of the area median income as determined by HUD. To ensure the continued affordability of projects funded by NSP3, affordability covenants will be recorded against the property, thereby restricting the properties for rental or purchase by low]and moderate-income households. For rental projects, the restriction period could range from 5 to 20 years depending on the amount of the NSP3 investment. For sale properties, affordability will be required for a period of forty-five (45) years. Additionally, the City will annually monitor these properties to ensure compliance with the occupancy requirements.

### Location Description:

North Downtown Specific Plan Area 1

### Activity Progress Narrative:

During the reporting period of July 1, 2019 through September 30, 2019, rehabilitation at 318 W. Palmer was complete.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/5
# of Singlefamily Units	0	5/5

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	3/5	3/5	100.00
# Owner Households	0	0	0	0/0	3/5	3/5	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 # / 3.3 / NSP 3 Administration

Grantee Activity Number:

3.3

Activity Title:

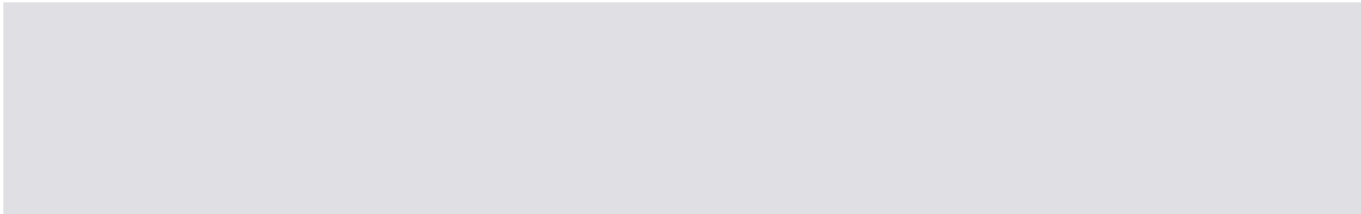
Administration

Activitiy Category:

Administration

Activity Status:

Under Way



<b>Project Number:</b> 3.3	<b>Project Title:</b> NSP 3 Administration
<b>Projected Start Date:</b> 04/01/2011	<b>Projected End Date:</b> 06/30/2014
<b>Benefit Type:</b> ( )	<b>Completed Activity Actual End Date:</b>
<b>National Objective:</b> N/A	<b>Responsible Organization:</b> City of Compton Redevelopment Agency

Overall	Jul 1 thru Sep 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$212,784.38
Total Budget	\$0.00	\$212,784.38
Total Obligated	\$14,415.02	\$210,235.79
Total Funds Drawdown	\$14,415.02	\$210,235.79
Program Funds Drawdown	\$0.00	\$112,932.87
Program Income Drawdown	\$14,415.02	\$97,302.92
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$195,820.77
City of Compton Redevelopment Agency	\$0.00	\$195,820.77
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Funds will be used for the administration of the City's NSP3 Program. Per regulation, a maximum of 10 percent of an NSP grant may be used for general administration and planning activities.

Location Description:

City of Comton Redevelopment Agency  
205 S. Willowbrook Ave.  
Compton, CA 90220

Activity Progress Narrative:

During the reporting period of July 1, 2019 through September 30, 2019, no NSP 3 admin funds were spent. The City plans on closing out the grant.

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	

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