

Grantee: Fontana, CA

Grant: B-11-MN-06-0507

April 1, 2019 thru June 30, 2019 Performance Report

Grant Number: B-11-MN-06-0507	Obligation Date:	Award Date:
Grantee Name: Fontana, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$2,695,735.00	Grant Status: Active	QPR Contact: Valerie Gonzales
LOCCS Authorized Amount: \$2,695,735.00	Estimated PI/RL Funds: \$1,500,000.00	
Total Budget: \$4,195,735.00		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

This plan constitutes the City of Fontana's application for the use of its allocation of Neighborhood Stabilization Program 3 (NSP3) funds. The City of Fontana, like many cities nationwide, has been impacted by the mortgage crisis. The U.S. Congress adopted the Dodd-Frank Wall Street Reform and Consumer Protection Act (HR 4173) appropriating \$1.0 billion to address foreclosed and/or abandoned housing units. The City of Fontana will receive \$2,695,735 of these funds, now known as the Neighborhood Stabilization Program 3 (NSP3) grant. NSP3 funds may be used for the acquisition and rehabilitation of foreclosed, abandoned units; acquisition and rehabilitation of foreclosed, abandoned units; acquisition and demolition of foreclosed, abandoned units that are beyond reasonable repair and further allows for new construction on building sites acquired in this manner. These funds may also be used in financing mechanisms in down payment assistance programs. The grant also requires that 25% of these funds must be used to assist very low income households (households earning below 50% of the area median income). The balance of the NSP3 funds may be used to assist households earning up to 120% of Area Median Income. For a family of four in Fontana, that limit is \$78,000. The units acquired may be sold or rented to income-eligible homebuyers at affordable rates, which means that for renters, the total housing costs do not exceed 30% of the household's monthly income, and for owners, the total housing costs do not exceed 35% of the household's monthly income. Another requirement of NSP3 grant is that City must expend 50 percent of the grant within two (2) years and 100 percent of the grant within three (3) years. The expenditure clock begins upon approval of the City's NSP3 plan by the U.S. Department of Housing and Urban Development (HUD); however, if any NSP3 grantee does not submit a plan for approval to HUD prior to March 1, 2011, that grantee (city or county) will lose their grant and must apply to its state for access to these funds. The City of Fontana will use NSP3 funds for two (2) 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 Fontana intends to utilize these funds for acquisition/rehabilitation of multi-family and single-family units; and 3) Administration of the program, which will not exceed 10% of the NSP3 grant and 10% of program income. The City of Fontana 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. The City of Fontana examined several sources of data to determine the areas of greatest need. They include the following: A website called Foreclosure Radar which provides current data regarding Notices of Default, Notices of Sale, and Bank Owned properties. The Multiple Listing Service (MLS) covering the City of Fontana. HUD census Block Group Risk Scores (indicating scores ranging from 17-20). Staff believes that by identifying the highest clusters of current foreclosures, fr housing stock within an affordable price range and within the highest risk score for f

Summary of Distribution and Uses of NSP Funds:

uture foreclosures, that the NSP3 target area will be the exact areas in which the federal funds will best serve the community. The City of Fontana is located in the Riverside/San Bernardino/Ontario metropolitan statistical area (MSA, also know as the "Inland Empire"). Since the foreclosure crisis became newsworthy in summer of 2007, this mSA at one point was the fourth most impacted foreclosure area in the county. City staff has been tracking foreclosures for all jurisdictions in the In

How Fund Use Addresses Market Conditions:

The City of Fontana 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 the 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 Fontana 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 of 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 San Bernardino 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 Fontana's standards from the ongoing Housing Rehabilitation Program (funded from CDBG, HOME and Redevelopment Housing funds):

- Code/Health & Safety Repairs - The first priority of the Housing Rehab Program is to eliminate, or otherwise "cure", 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 preexisting 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 & 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, etc. General property improvements may NOT include any materials or items that are of a type and cost 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 Fontana 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 Fontana is proposing to use a significant portion of its NSP3 allocation (25%) for the acquisition and/or rehabilitation of multi-family and single-family properties. These properties will be used for long-term affordable rental housing units.

Grantee Contact Information:

City of Fontana
8353 Sierra Ave, Fontana, Ca 92335
Valerie Gonzales, 909-350-6625; vgonzale@fontana.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$3,704,845.82
Total Budget	\$0.00	\$3,704,845.82

Total Obligated	\$0.00	\$3,704,845.82
Total Funds Drawdown	\$0.00	\$3,494,649.31
Program Funds Drawdown	\$0.00	\$2,695,735.00
Program Income Drawdown	\$0.00	\$798,914.31
Program Income Received	\$3,700.00	\$1,049,449.82
Total Funds Expended	\$0.00	\$3,494,649.31
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	\$404,360.25	\$0.00
Limit on Admin/Planning	\$269,573.50	\$269,875.05
Limit on Admin	\$0.00	\$269,875.05
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,048,933.75	\$1,504,844.51

Overall Progress Narrative:

The NSP3 program is currently renting a total of 6 (6) single family homes to income eligible families, has sold four (4) homes to income eligible families and has two (2) homes left to rehab and rent.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP 3 - Admin, Administration	\$0.00	\$300,000.00	\$188,012.56
NSP 3 - AR, Acquisition, Rehab	\$0.00	\$3,426,197.50	\$2,507,722.44



Activities

Project # / NSP 3 - Admin / Administration

Grantee Activity Number: NSP3.3
Activity Title: NSP3 Administration

Activity Category:

Administration

Project Number:

NSP 3 - Admin

Projected Start Date:

03/07/2011

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/07/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Fontana1

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$300,000.00
Total Budget	\$0.00	\$300,000.00
Total Obligated	\$0.00	\$300,000.00
Total Funds Drawdown	\$0.00	\$269,875.05
Program Funds Drawdown	\$0.00	\$188,012.56
Program Income Drawdown	\$0.00	\$81,862.49
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$269,875.05
City of Fontana1	\$0.00	\$269,875.05
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

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:

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



- Ensureing public participation

Location Description:

The City of Fontana will be the lead entitiy, 8353 Sierra Avenue, Fontana, Ca 92335

Activity Progress Narrative:

The NSP3 Administration activity is used to administer the resale and rental portion of the City's NSP3 program.

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

Project # / NSP 3 - AR / Acquisition, Rehab

Grantee Activity Number: NSP3.1
Activity Title: Acquisition, Rehabilitation and Resale (ARR)

Activitiy Category:
 Rehabilitation/reconstruction of residential structures
Project Number:
 NSP 3 - AR
Projected Start Date:
 03/07/2011
Benefit Type:
 Direct (HouseHold)
National Objective:
 NSP Only - LMMI

Activity Status:
 Under Way
Project Title:
 Acquisition, Rehab
Projected End Date:
 03/07/2014
Completed Activity Actual End Date:

Responsible Organization:
 City of Fontana1

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$1,898,847.36
Total Budget	\$0.00	\$1,898,847.36
Total Obligated	\$0.00	\$1,898,847.36



Total Funds Drawdown	\$0.00	\$1,719,929.75
Program Funds Drawdown	\$0.00	\$1,171,387.66
Program Income Drawdown	\$0.00	\$548,542.09
Program Income Received	\$3,700.00	\$769,872.09
Total Funds Expended	\$0.00	\$1,719,929.75
City of Fontana1	\$0.00	\$1,719,929.75
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is for acquisition/rehabilitation/resale to income eligible homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be dependent on the household's debt capacity. One (1%) of the sales price or three thousand (3,000) dollars (whichever is less) will remain with the property as a "silent second" (no monthly payments due, and zero (0) interest) to be repaid upon change in title or status as owner-occupied housing. The property will have an affordability covenant recorded against it in accordance with HOME regulations. As with other assisted single family units through Fontana's programs, continued affordability is ensured through an 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).

Location Description:

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of this amendment and further delineated in the provided maps.

Activity Progress Narrative:

The NSP3 Resale activity just sold it's 4th single family home to an income eligible family.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	4	10/26

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	4	10/26
# of Singlefamily Units	4	10/26

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	1	1	0/0	3/26	3/26	100.00
# Owner Households	0	1	1	0/0	3/26	3/26	100.00
# Renter Households	0	0	0	0/0	0/0	0/0	0

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



Grantee Activity Number:	NSP3.2
Activity Title:	Acquisition/Rehabilitation/Rental

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP 3 - AR

Projected Start Date:

03/07/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition, Rehab

Projected End Date:

03/07/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Fontana1

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$1,505,998.46
Total Budget	\$0.00	\$1,505,998.46
Total Obligated	\$0.00	\$1,505,998.46
Total Funds Drawdown	\$0.00	\$1,504,844.51
Program Funds Drawdown	\$0.00	\$1,336,334.78
Program Income Drawdown	\$0.00	\$168,509.73
Program Income Received	\$0.00	\$279,577.73
Total Funds Expended	\$0.00	\$1,504,844.51
City of Fontana1	\$0.00	\$1,504,844.51
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is acquisition/rehabilitation/rental, specifically for households earning less than 50% AMI. This City will acquire foreclosed single-family structures, and/or provide funding for non-profit special needs housing provide for acquisition/rehabilitation to expand affordable housing opportunities in this area.

Location Description:

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of this document and further delineated in the maps provided.

Activity Progress Narrative:

The NSP3 Rental activity currently has 6 single family homes rented to income eligible families. The city has 2 more homes to rehab and rent out.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	3/6



	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	5/6	1/0	6/6	100.00
# Renter Households	0	0	0	5/6	1/0	6/6	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	

