

Grantee: Ontario, CA

Grant: B-11-MN-06-0514

April 1, 2020 thru June 30, 2020 Performance Report

Grant Number: B-11-MN-06-0514	Obligation Date:	Award Date:
Grantee Name: Ontario, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$1,872,853.00	Grant Status: Active	QPR Contact: Katryna Gonzalez
LOCCS Authorized Amount: \$1,872,853.00	Estimated PI/RL Funds: \$0.00	
Total Budget: \$1,872,853.00		

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

The Begonia-D Street neighborhood is the current target area where NSP1 funds have been utilized to acquire and rehabilitate multi-family residential properties. The City is very familiar with this target area and has used this knowledge to evaluate the need of this neighborhood.

The Vine-D Street neighborhood is part of the Downtown Core Catalyst Project Area. The City of Ontario has been selected by the State of California as a Catalyst Community. The properties within the Vine-D Street neighborhood are primarily single-family residential properties. The catalyst funds could work in cooperation with NSP3 funds to assist qualified homebuyers purchase eligible properties within this neighborhood.

The South Euclid neighborhood is another neighborhood familiar to the City. There are a number of vacant lots ideal for infill development in this neighborhood. Euclid Avenue is a major corridor and the impacts made by new development in this neighborhood would be very visible.

The City of Ontario utilized data from HUD indicating that the neighborhoods have an NSP3 score of 20, 19, and 19.46, respectively. The City evaluated the properties currently in foreclosure or with foreclosure starts in the target neighborhoods.

As stated above, the City of Ontario has utilized its NSP1 program funds in the Begonia-D Street neighborhood to acquire and rehabilitate a total of 16 units of multi-family residential property. This neighborhood has a NSP3 score of 20. Approximately 20% of the housing units in this neighborhood are 90 days or more delinquent in mortgage payments or are in the foreclosure process. In addition, 29.6% of the housing units received a high cost mortgage between 2004 and 2007. It is expected that several other multi-family properties in this area will be foreclosed upon in the near future. The City recognizes the ability to have a significant impact on this neighborhood by continuing the project in this area and creating additional needed affordable rental housing.

Similarly by pairing NSP3 funds with the Catalyst Community funds and opportunities for infill development in a highly visible area, the NSP3 funds will have the largest possible impact on these neighborhoods. The Vine-D Street neighborhood has a NSP3 score of 19, delinquent status on 19.5% of the housing units and 26% of the units have a high cost mortgage. The South Euclid neighborhood has a NSP3 score of 19.46, delinquent status on 20.52% of the housing units and 29.04% of the units have a high cost mortgage.

How Fund Use Addresses Market Conditions:

The City of Ontario has designed a program to primarily address the 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 foreclosures are being addressed by the private market. Most single-family foreclosed homes are on the market for a short period of time and there is competition for the acquisition of these properties. However, it has been noted, particularly in the Begonia-D Street that the multi-family foreclosures are remaining vacant and abandoned for a longer period of time resulting in deteriorating conditions for the surrounding neighborhoods. The City's programs have been designed with these observations in mind resulting in a focus on multi-family or vacant properties for acquisition and a small component for financial assistance for homebuyers in the single-family residential market.



Ensuring Continued Affordability:

Long-Term 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. The City will conduct on-site inspections of multi-family residential projects containing one to four units assisted with NSP funds once every three years and will conduct on-site inspections of projects containing five to twenty-five housing units once every two years. Project containing six or more units will be inspected annually. In addition to on-site inspections for multi-family residential projects, project files will be reviewed annually for compliance with affordability requirements.

Multi-family residential properties assisted with NSP funds will have long-term regulatory agreements recorded against the property to ensure that rents remain affordable to households at or below 50%, 80%, or 120% of AMI.

Definition of Blighted Structure:

The City of Ontario uses the State of California’s definition of blight as found in California Health and Safety Code Section 33031 and the Uniform Code for the Abatement of Dangerous Buildings Section 302 which are attached in Attachment C.

Definition of Affordable Rents:

Affordable rents for any NSP-funded rental activity will be defined as follows:

- Very Low-Income (50% of AMI) – The tenant’s portion of the affordable housing cost for very low-income households will not exceed the product of 30% times 50% of the area median income adjusted for family size appropriate for the size of the assisted unit.
- Low-Income (80% of AMI) – The tenant’s portion of the affordable housing cost for low-income households will not exceed the lower of either the Fair Market Rent (FMR) or the 65% Rent Limit as published by HUD annually appropriate for the size of the assisted unit.
- Middle Income (120% of AMI) – Affordable housing cost for a middle-income household is the product of 30% time 110% of the area median income adjusted for family size appropriate for the size of the assisted unit.

Housing Rehabilitation/New Construction Standards:

The City of Ontario uses its Municipal Code and related codes, including the Uniform Housing Code (UHC) as adopted by the Ontario Municipal Code, to define Housing Rehabilitation Standards. All properties rehabilitated with NSP funds will meet the standards established in UHC Chapter 10. UHC Chapter 10 is included in Appendix D for reference.

In addition to these standards, a lead-based paint inspection report may be required of any home built prior to 1978. Reduction of lead-based paint hazards will be performed for any properties receiving rehabilitation assistance of less than \$25,000 per unit and abatement of lead-based paint hazards will be performed for any properties receiving substantial rehabilitation in excess of \$25,000 per unit.

Removal of any materials identified as containing asbestos, if necessary, will be included as part of the property rehabilitation.

The City of Ontario may include improvements for energy efficiency or conservation and/or renewable energy sources as part of the rehabilitation of residential properties assisted with NSP funds.

Vicinity Hiring:

The City of Ontario 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.

Grantee Contact Information:

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Procedures for Preferences for Affordable Rental Dev.:

The City of Ontario is proposing to use a significant portion of its NSP3 allocation for the acquisition and/or rehabilitation of multi-family properties. These properties will be used for long-term affordable rental housing units. In addition, the City is also proposing to use NSP3 funds to acquire vacant, abandoned, and/or foreclosed land for future development of affordable rental housing projects.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,872,852.99
Total Budget	\$0.00	\$1,872,852.99
Total Obligated	\$0.00	\$1,872,852.99
Total Funds Drawdown	\$0.00	\$1,872,852.99
Program Funds Drawdown	\$0.00	\$1,872,852.99
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00



Total Funds Expended	\$0.00	\$1,872,853.00
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	\$280,927.95	\$0.00
Limit on Admin/Planning	\$187,285.30	\$40,153.28
Limit on Admin	\$0.00	\$40,153.28
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$468,213.25	\$1,170,924.43

Overall Progress Narrative:

All NSP3 projects and activities have been completed and all funds have been expended. The Ontario Housing Authority continues to operate the Hollowell and Vesta apartments with all apartments leased to qualified tenants.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$0.01)	\$0.00
NSP3-1, Multi-Family Residential Acquisition and/or	\$0.00	\$1,300,352.22	\$1,300,352.22
NSP3-2, Land Banking	\$0.00	\$532,347.49	\$532,347.49
NSP3-3, Downpayment Assistance Program	\$0.00	\$0.00	\$0.00
NSP3-4, Administration	\$0.00	\$40,153.28	\$40,153.28

