

**Grantee: Perris, CA**

**Grant: B-11-MN-06-0525**

## April 1, 2019 thru June 30, 2019 Performance Report

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<b>Grant Number:</b> B-11-MN-06-0525	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Perris, CA	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$1,342,449.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$1,342,449.00	<b>Estimated PI/RL Funds:</b> \$938,608.85	
<b>Total Budget:</b> \$2,281,057.85		

### Disasters:

#### Declaration Number

NSP

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

Total low-income set-aside percentage (25 percent): 25.00%

Total funds set aside for low-income individuals = \$335,613.00

For new construction the City of Perris will restrict a minimum of 25% for individuals or families with an income level at or below 50% of AMI.

The City will record Affordability Covenants against the property to insure the property maintains the Low-Income level restriction over a given affordability period. For Down Payment assistance the City will reserve 25% of the total monies set aside for this program toward home buyers at or below the 50%AMI level. As part of the loan documents completed with each transaction, the City will record affordability covenants against each property to ensure the affordability is maintained.

Staff is presenting for consideration an agreement for purchase and sale of real property for 0.13 acres, APN: 313-272-005 with its proerty owners. This purchase is for the development of a single family residence that will provide three bedrooms, two baths, and a garage. The unit will be rented out by the City of Perris to either an extremely low, very low, or low income household to meet the City's NSP and LH25 requirements under HUD regulations.

#### How Fund Use Addresses Market Conditions:

The City of Perris utilized a number of resources/tools to determine the area(s) of greatest need and impact. The primary tool utilized was the NSP mapping tool located at <http://www.huduser.org/nsp/nsp3.html>. In addition to this tool the City has also contacted the following real estate professionals to discuss market conditions and available inventory:

\* Ashley Kroencke Real Estate - Eric Kroencke, Real Estate Professional

\* QMG Real Estate - Scott Larson, Real Estate Professional

\* Marcus & Millichap - Reza Ghaffari, First Vice President Investments

\* National Community Stabilization Trust - Adam Eliason, President Civic Stone

The City of Perris utilized the expertise of two local real estate companies, one in particular which has specialized in the City of Perris market for over 10-years. Ashley Kroencke Real Estate has operated in the City of Perris since 1995 and has been a key contributor to the City's Foreclosed Homeownership Program (FHP). In 2009 The Perris City Council approved the use of Redevelopment Agency set-aside funds to purchase foreclosed single family homes in Perris, rehabilitate and resell these homes to income qualified first time home buyers. To date the City has completed 25 homes and currently owns 1 property still under construction or being marketed for re-sale. Ashley Kroencke real estate has provided the City of Perris with resale and comparable sales reporting data on single family homes sales over the past two years.

The City has worked closely with this group to establish purchase price guidelines and evaluate the sales prices for homes completed in the FHP Program.

The City of Perris also utilized data within the Perris Downtown Specific Plan to help identify target areas which could be cross referenced to target areas established using HUD's NSP mapping tool. Finally the City compiled data on the over 200 down payment assistance loans the City of Perris has issued over the past 2 1/2 years to determine which areas within the City had foreclosed homes purchased by first-time home buyers. This data was cross-referenced with the data provided from the HUD mapping tool.

The City will distribute funds in targeted Census tracts/Block groups as identified on the map generated using the HUD NSP3 mapping tool. 060650428002003, 060650428002005, 060650428002007, 060650428002024, 060650428002023, 060650428002022, 060650428002021, 060650428002020, 060650428002019, 060650428002018, 060650428002042, 060650428002041, 060650428002040, 060650428002039, 060650428002038, 060650428002037, 060650428002036, 060650428002035, 060650428002034, 060650428002060, 060650428002059, 060650428002058, 060650428002057, 060650248002056, 060650248002053, 060260428002052, 0602604280051, 060650428002050, 060260428002047, 060260428002046, 060260428002045, 060260428002044, 060260428002043, 060260428002033, 060650428002032, 060260428002031,



060260428002006, 060650428002004, 060650428003012

Funds will be distributed for the following eligible uses:

1. Financing Mechanisms
2. Purchase and rehabilitation of residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
3. Demolition of blighted structures
4. Redevelop demolished or vacant properties
5. Land Banks
- 6.

#### **How Fund Use Addresses Market Conditions:**

Administration and Planning

Funds in an amount not to exceed 10% of the total grant amount, plus 10% of program income will be used for Program Planning/Administration.

#### **Ensuring Continued Affordability:**

Long-Term Affordability

The City will enter into long term NSP Regulatory Agreements recorded against each property to ensure long-term affordability for a minimum term of 15 years for all NSP activities.

#### **Definition of Blighted Structure:**

Blighted Structure

The City of Perris will rely upon California Health and Safety Code Sections 33030 and 33031 <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=33001-34000&file=33030-33039>. The City of Perris defines a "substandard conditions/property and unsafe building/structure" in order to determine "blight." A "blighted structure" will include, but is not limited to, the following:

- \* A building in which it is unsafe or unhealthy for persons to live - for instance, if there are serious building code violations; if the structure is severely dilapidated or deteriorated; or if the building suffers from serious neglect;
- \* A building which suffers from substandard, defective design or construction given the current development standards;
- \* A building that has hazardous waste within;
- \* A building which is vacant and abandoned;
- \* A building in need of extensive rehabilitation;
- \* A building susceptible to collapse from seismic hazards; and,
- \* A building in such a state as to cause serious public safety concerns.

#### **Definition of Affordable Rents:**

Affordable Rents

The City will ensure that 100% of NSP funds will be used to benefit individuals and households with incomes below 120% of the area median income (AMI). The City is using the maximum rent limits allowed for affordable units in accordance with Section 92.252 of HUD's HOME Program Regulations for households at or below 80% of the AMI. The HUD fair market rent limits will be used for households with incomes between 81% and 120% of AMI. In addition, at least 25% of the NSP funds will be used to benefit individuals and households with incomes below 50% of the AMI.

HUD Riverside County-San Bernadino-Ontaira, CA FY 2019 Fair Market Rent are:

Efficiency-\$826.00  
One Bedroom-\$986.00  
Two Bedroom-\$1,232.00  
Three Bedroom-\$1,717.00  
Four Bedroom-\$2,132.00

#### **Housing Rehabilitation/New Construction Standards:**

Housing Rehabilitation Standards

At a minimum, NSP grantees must follow the adopted California Green Building Code available for preview at [http://www.documents.dgs.ca.gov/bsc/CALGreen/2010\\_CA\\_Green\\_Bldg.pdf](http://www.documents.dgs.ca.gov/bsc/CALGreen/2010_CA_Green_Bldg.pdf). All City of Perris Housing Rehabilitation programs follow these standards and specifications. In addition, developers/contractors participating in the City of Perris NSP Programs will follow the standards listed below:

- \* All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard of Energy Star Qualified New Homes.
- \* All gut rehabilitation or new construction of mid- or high-rise multi-family housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90. 1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
- \* Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
- \* Water efficient toilets, showers, and faucets, such as those with the Water Sense label, must be installed.
- \* Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, and fires).
- \* When applicable and/or cost feasible, the City of Perris requires the NSP grantees to adopt the energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notices describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resources Exchange at [www.hud.gov/nspta](http://www.hud.gov/nspta) and <http://www.federalregister.gov/articles/2010/10/19/2010-26292/notice-of-formula-allocations-and-program-requirements-for-neighborhood-stabilization-program#h-84>.



**Vicinity Hiring:**

The City of Perris will consult with the Riverside County GAIN program office to advertise any training or employment opportunities from NSP3 activities.

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

For new construction of a multi-family affordable development the City of Perris will restrict a minimum of 25% of the units for individuals or families with an income level at or below 50% of AMI. The City will record Affordability Covenants against the property to insure the property maintains the Low-Income level restriction over a given affordability period.

**Grantee Contact Information:**

NSP3 Program Administrator Contact Information  
 Name (Last, First): Williams, Grace  
 Email Address:GWilliams@cityofperris.org  
 Phone Number: 951-943-6100 ext. 277  
 Mailing Address: 101 N. D Street, Perris CA 92570

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$2,281,057.85
<b>Total Budget</b>	\$0.00	\$2,281,057.85
<b>Total Obligated</b>	\$0.00	\$2,281,057.85
<b>Total Funds Drawdown</b>	\$0.00	\$1,342,680.33
<b>Program Funds Drawdown</b>	\$0.00	\$1,265,600.56
<b>Program Income Drawdown</b>	\$0.00	\$77,079.77
<b>Program Income Received</b>	\$0.00	\$305,403.85
<b>Total Funds Expended</b>	\$0.00	\$1,342,706.28
<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
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$201,367.35	\$0.00
<b>Limit on Admin/Planning</b>	\$134,244.90	\$123,297.42
<b>Limit on Admin</b>	\$0.00	\$123,297.42
<b>Most Impacted and Distressed Threshold (Projected)</b>	\$0.00	\$0.00
<b>Progress towards LH25 Requirement</b>	\$570,264.46	\$511,431.77

**Overall Progress Narrative:**

During this reporting period. The City of Perris received their "Authority to Use Grant Funds". In addition, the city purchase a vacant infill property located on East 10th Street, APN: 313-272-005. Staff is working on design for bidding for construction. More detail will be provided at next reporting period.

**Project Summary**

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown



NSP-068-170, Financing Mechanism	\$0.00	\$57,774.00	\$0.00
NSP-7101, NSP3 Administration	\$0.00	\$134,244.00	\$103,991.65
NSP-H001, Redevelopment	\$0.00	\$2,089,039.85	\$1,161,608.91
NSP-H002, Acquisition and Rehabilitation	\$0.00	\$0.00	\$0.00



