

**Grantee: State of California**

**Grant: B-11-DN-06-0001**

**April 1, 2011 thru June 30, 2011 Performance Report**

**Grant Number:**

B-11-DN-06-0001

**Obligation Date:****Grantee Name:**

State of California

**Award Date:****Grant Amount:**

\$11,872,089.00

**Contract End Date:**

03/24/2014

**Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**QPR Contact:**

Karen Patterson

## Disasters:

### Declaration Number

NSP

## Narratives

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

To determine the Areas of Greatest Need, HCD began with HUD's Foreclosure Need list provided to grantees, accessed HUD.gov/HUD Homes website (HUDHomestore.com), NSP Resource.com, and the HUD Foreclosure Need website ([www.huduser.org/portal/datasets/nsp.html](http://www.huduser.org/portal/datasets/nsp.html)).

Due to the size of California's State program award, HCD began narrowing the eligible applicants by eliminating from the HUD Foreclosure Need list any jurisdictions that were announced to receive NSP funding directly from HUD. From this list, the following filters applied used to establish a pool of potential applicants:

- NSP3 Needs Scores of 18 or higher
- Unemployment numbers at or above 15%
- Number of units required to be impacted at or above 4 units

From this list of jurisdictions, capacity was evaluated, using NSP experience as the standard. Three jurisdictions were identified as having NSP3 Need scores at or above 18, unemployment at or above 15%, minimum number of units to be impacted at or above 4 and NSP experience.

### How Fund Use Addresses Market Conditions:

The purchase and rehabilitation of foreclosed single family residential (SFR) units for homeownership or rental housing for income qualified households will eliminate vacancies within the identified areas of greatest need, while providing affordable housing to low and moderate income households, an often underserved population. The rehabilitation work will be targeted to local workers within the defined area. This 3-pronged approach will help remove vacancies, provide affordable housing and provide employment opportunities within the neighborhood.

### Ensuring Continued Affordability:

Each unit will have a minimum affordability period, based on activity (sale or rental).

### Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This definition is consistent with California Health & Safety Code definition of a substandard structure under Section 17920.

### Definition of Affordable Rents:

At minimum, all properties assisted with NSP funds will be subject to the HOME requirements of continued affordability as outlined in the regulations for the HOME Investment Partnership Program, Final Rule, 24 CFR Part 92. These regulations are available at the following sites: HOME affordability rental housing 92.242: [http://edocket.access.gpo.gov/cfr\\_2004/aprqr/pdf/24cfr92.252.pdf](http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.252.pdf) and HOME affordability periods-Homeownership 92.254: [http://edocket.access.gpo.gov/cfr\\_2004/aprqr/pdf/24cfr92.254.pdf](http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.254.pdf).

**Housing Rehabilitation/New Construction Standards:**

All grantees will be required to submit their local Rehabilitation Standards for Department review prior to activity work. Each project work write up must be developed as outlined by the Rehabilitation Standards and must be submitted to the Department. At completion, all properties must meet local and state building codes, be free of all health and safety hazards and include energy efficient system if remaining economic life is less than 20 years.

**Vicinity Hiring:**

Each grantee will be required to provide hiring of employees who reside within the vicinity defined, and contract with small businesses that are owned and operated by persons residing within the vicinity of the projects to the maximum extent feasible. Each jurisdiction must provide their outreach plan for contacting eligible residences for Department review. The "Vicinity Hiring" requirement is in addition to all responsibilities and requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and 24 CFR Part 135, as long as no obligation is in direct conflict.

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

All NSP3 funds will be used to acquire and rehabilitate foreclosed single family residential units (1-4) to be rented to income eligible households.

**Grantee Contact Information:**

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<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$11,872,089.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$11,872,089.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,780,813.35	\$0.00
Limit on Admin/Planning	\$1,187,208.90	\$0.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,187,208.90	\$1,187,208.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,968,022.25	\$2,968,023.00

## Overall Progress Narrative:

Initially, the amount awarded to the State of California for NSP3 was \$7,777,019. Two awardees within the State did not apply to NSP3, and their funds rolled up to HCD. The additional funding amount was \$4,095,070, which gives the State a total of \$11,872,089 for NSP3.

Initial program design for NSP3 was Acquisition/Rehabilitation/Rental housing for households at or below 80% AMI, with a minimum of 25% of the total award amount to provide housing units at or below 50%AMI. Feedback provided from potential grantees indicated the need to add homeownership as an eligible disposition type.

The State of California has processed the Revision to the Substantial Amendment for NSP3, to include homeownership opportunities (in addition to the rental housing disposition for Acquisition/Rehabilitation/Disposition).

The State is in the process of releasing a Request For Proposal (RFP) for the NPS3 funds.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
11-NSP3-001, Admin	\$0.00	\$0.00	\$0.00
11-NSP3-002, Acq/Rehab/Disposition =<50%	\$0.00	\$0.00	\$0.00
11-NSP3-003, Acq/Rehab/Disposition >50%-<80%AMI	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** 001

**Activity Title:** General Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

11-NSP3-001

**Project Title:**

Admin

**Projected Start Date:**

08/31/2011

**Projected End Date:**

03/24/2014

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

State of California

**Overall**

**Apr 1 thru Jun 30, 2011**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$1,187,208.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,187,208.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
State of California	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Administrative costs incurred by State of California staff, as well as administrative costs incurred in eligible, awarded grantees.

**Location Description:**

State of California.

**Activity Progress Narrative:**

Administrative funds will be used by the local jurisdictions to cover the costs not directly related to address-specific projects. Admin. costs include staffing, hard costs for supplies, equipment, etc. for actually administering the NSP program and for oversight of sub-contractors that may manage the day to day activities of the program, if the jurisdiction does not do the work inhouse.

HCD will use Administrative funds to offset the costs of staffing, supplies, travel and expenses for monitoring, training and oversight of the NSP3 program.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

## 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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