

Grantee: Moreno Valley, CA

Grant: B-08-MN-06-0513

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-06-0513

Obligation Date:**Grantee Name:**

Moreno Valley, CA

Award Date:

03/27/2009

Grant Amount:

\$11,390,116.00

Contract End Date:

03/27/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Donna Moeller

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The City of Moreno Valley is a 51-square mile city located in western Riverside County, CA. In recent years, Moreno Valley has consistently ranked as one of the fastest growing cities in the nation. This significant growth rate, combined with skyrocketing home prices and questionable lending practices, has placed Moreno Valley near the top of the nation as a city hardest hit by foreclosures. In August 2007, CNN Money.com reported the combined Riverside/San Bernardino metropolitan region of California to be the fourth most impacted area by foreclosures in the U.S., with 1 foreclosure default filing for every 33 households. In August 2008, Moreno Valley was reported to have 6470 units in the foreclosure process. To illustrate the extent of this crisis, this 6470 figure is just 154 units shy of the total single family housing units built in the 10 year period from 1990 to 2000.

Distribution and and Uses of Funds:

In response to the problem, the City will focus its efforts in the areas of greatest need. Eleven of the 38 Census Tract Block Groups (CTBGs) in the city are ranked at the highest possible HUD-assigned risk score of ten (10). Available figures indicate 49.8% of current foreclosures are within the eleven (11) CTBGs with a 10-risk score. Combined, more than 84% of the homes foreclosed recently were located in CTBGs with HUD-assigned risk scores of 9 or 10. With that in mind, the City proposes to focus its efforts in these areas through three (3) basic programs: 1) A First Time Homebuyer Down Payment Assistance Program 2) An Acquisition/Rehabilitation/Resale of Single-Family Units Program, addressing the most severe vacant homes 3) An Acquisition/Rehabilitation/Rental of Multi-Family Units Program to meet the needs of households at or below 50% AMI.

Definitions and Descriptions:**Low Income Targeting:****Acquisition and Relocation:****Public Comment:**

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$11,390,116.00
Total CDBG Program Funds Budgeted	N/A	\$11,390,116.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$11,667.38	\$11,667.38
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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	\$1,708,517.40	\$0.00
Limit on Admin/Planning	\$1,139,011.60	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,847,529.00	\$3,587,496.62

Overall Progress Narrative:

Since HUD's approval of the City of Moreno Valley's NSP application, we have focused our 1st quarter NSP efforts on grant implementation. In summary, the City completed the following actions:

- Reviewed/currently revising the City's Homebuyer Assistance Program
- Negotiated/secured staffing necessary for Program success
- Reviewed/currently revising the City's Acquisition & Rehabilitation Programs, including our Housing Quality Standards
- Drafted/issued a Request for Qualification and selected development partners to complete the residential rehabilitation program

Greater detail is provided in the narrative sections for each NSP activity.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
08-09-ARR-MFR, Acquisition, Rehabilitation, Rental	\$0.00	\$0.00	\$0.00

08-09-ARR-SFR, Acquisition, Rehabilitation, Resale	\$0.00	\$0.00	\$0.00
08-09-Admin, Administration	\$0.00	\$0.00	\$0.00
08-09-NSP-HAP, Homebuyers Assistance Program	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$0.00	\$11,390,116.00	\$0.00

Activities

Grantee Activity Number: 08-09-01

Activity Title: 08-09-01

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

BCKT

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

07/31/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Moreno Valley, Economic Development Department

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

This activity will provide for acquisition, rehabilitation, and resale of vacant and abandoned homes by middle income households (up to 120% area median income) via a tailored version of the City's existing first time homebuyer down payment assistance program. The tenure of the beneficiaries is homeownership and the terms of assistance will be in the form of a 30 year deferred, silent second, "soft" loan, with zero interest rate (no monthly payments due, and a proportionate equity share mechanism in lieu of interest). The household shall initially be required to contribute 3% of the sale price of the property to participate. In this activity, the income-qualified homebuyers will acquire properties directly. The City will not hold ownership under this activity, but will ensure the appraisal requirements are met and required discounts are provided to the NSP homebuyer. Under the program, the responsibility of meeting the City's Housing Quality Standards (HQS, for more information please refer to page 10) shall be placed on the seller. The City will educate lenders and local realtors regarding the HQS. The property will be inspected by a City Building Inspector at time of sale to ensure the HQS are met. Affordability covenants will be recorded against each property that will vary from 5-15 years depending on the amount of subsidy. For more information on affordability covenant terms, please refer to page 9. The "soft second" component encourages income-eligible homeowners to remain in the NSP affordable unit. The loan will be forgiven at the expiration of the covenanted period. Continued affordability will be ensured via a monitoring process to be conducted by City staff. Should the household, sell or transfer the property before the affordability period is complete, the City will collect an equity share. In other words, if the NSP assisted property is sold or transferred, the City will then be entitled to a share of the gain on sale in addition to the original amount loaned. The gain of sale returned to the City will not exceed the total investment made into the property by the city.

Location Description:

Program will be available City-wide, with priority given to the census tracts categorized as a 9 or 10 based on HUD Foreclosure and Abandonment Risk Scores, as follows: NSP Target Census Tracts Risk Score Census Tract Risk Score Census Tract Risk Score Census Tract 10 42404 42407 42504 42507 42508 42510 42511 42518 42519 42521 42605 9 42212 42214 42403 42405 42406 42408 42409 42410 42411 42505 42506 9 42509 42512 42514 42515 42516 42517 42520 42523

Activity Progress Narrative:

- Reviewed/currently revising the City's Homebuyer Assistance Program Housing Quality Standards for conformity with Federal Housing Administration Guidelines.
- Reviewed/currently revising the City's existing Homebuyer Assistance Program guidelines for conformity with Federal Housing Administration guidelines.
- Negotiated/secured staffing necessary for program success: Loan application processing; environmental review; Building inspection; Housing and escrow technical advice.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/150

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	0/150	0/150	0
# Owner Households	0	0	0	0/0	0/150	0/150	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: 08-09-02

Activity Title: 08-09-02

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

BCKT

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

06/30/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Moreno Valley

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

This activity is for the acquisition, rehabilitation, and rental of multifamily residential property to households earning up to 50% of the area median income. The City will acquire multi-family structures and contract with a CHDO or non-profit for the rehabilitation and management of the units, OR the City may provide funding to City CHDO/non-profit residential developer to acquire, rehabilitate, rent, and manage the units. Continued affordability will be ensured by City staff through an annual recertification process. The property will be inspected by a City Building Inspector whether or not a CHDO or non-profit residential developer is contacted, to ensure HQS are met. Under an existing CHDO Agreement, the City recently acquired and rehabilitated several units in a previously established focus area. A similar model and budget shall be utilized in order to successfully repeat the outcomes as an NSP activity. Total Budget: (Include public and private components) The City of Moreno Valley's total allocation is \$11,390,116.00. The budget for this activity is set at 25% of the NSP grant, or \$2,847,529, and it will be used to serve those earning up to 50% AMI. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): This activity is for the acquisition/rehabilitation/rental of multi-family units. It is expected that a minimum of 16 affordable units will be created and available for rent to families earning no more than 50% AMI.

Location Description:

Program will be available City-wide, with priority given to pre-established Target Neighborhoods (see Attachment 3) located in CDBG and/or RDA areas, while also in areas categorized as a nine (9) or ten (10) by HUD's Foreclosure and Abandonment Risk Scores. Six neighborhoods are originally included: Postal Avenue, Atwood Avenue, Hildegard/Adrienne/Allies Streets, Eastgate, and Sheila Street.

Activity Progress Narrative:

- Reviewed/currently revising the City's Acquisition & Rehabilitation Programs Housing Quality Standards
- Negotiated/secured staffing necessary for program success: Environmental reviews; Building inspection; Housing/escrow technical assistance
- Drafted/issued a Request for Qualification and selected two non-profit affordable housing development partners to

complete the multi-family rehabilitation projects and operate the properties as affordable rental units.

- Currently drafting the Affordable Housing Agreement
- Pursuing participation with the National Community Stabilization Trust to streamline property acquisitions.
- Currently drafting a standardized Purchase Agreement

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		0/2	
# ELI Households (0-30% AMI)	0		0/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/27	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/26	0/0	0/26	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: 08-09-03

Activity Title: 08-09-03

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

BCKT

Projected Start Date:

01/15/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

07/31/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Moreno Valley

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

This activity will provide for acquisition, rehabilitation, and resale of foreclosed, vacant, and abandoned homes by the City in cooperation with a residential development partner. The homes will be rehabilitated and re-sold to qualified home buyers (up to 120% AMI). The effectiveness of this activity will be measured by the number of properties and eligible participants accepted into the program. The program, as designed is anticipated to assist a minimum of 150 households at an area median income up to 120%. Total Budget: (Include public and private components) The City of Moreno Valley's total allocation is \$11,390,116. The budget for this activity is set at 32.5 % of the NSP grant or \$3,701,788, and is intended to serve eligible families with incomes up to 120% AMI. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): The effectiveness of this activity will be measured by the number of properties acquired and resold to eligible households. The program, as designed is anticipated to assist a minimum of 156 households at an area median income up to 120%.

Location Description:

Program will be available citywide, with priority given to census tracts with a high concentration of existing foreclosures (based on DataQuick records) and of high foreclosure risk as evidenced through the HUD data, such as census tract 426.05. Risk Score Census Tract 10 42404 42407 42504 42507 42508 42510 42511 42518 42519 42521 42605 Risk Score Census Tract 9 42212 42214 42403 42405 42406 42408 42409 42410 42411 42505 42506 42509 42512 42514 42515 42516 42517 42520 42523

Activity Progress Narrative:

- Reviewed/currently revising the City's Acquisition & Rehabilitation Programs Housing Quality Standards
- Negotiated/secured staffing necessary for program success: Environmental reviews; Building inspection; Housing/escrow technical advice; Housing acquisition/lender cooperation technical advisor
- Drafted/issued a Request for Qualifications and selected five housing rehabilitation development partners to complete the single-family rehabilitation projects and resell the properties to income-eligible families.
- Currently drafting the Development Partners Agreement

- Pursuing participation with the National Community Stabilization Trust to streamline property acquisitions.

Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	0/150

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	0/150

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	0/0	0/150	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: 08-09-04

Activity Title: 08-09-04

Activity Category:

Administration

Project Number:

BCKT

Projected Start Date:

01/15/2009

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

09/30/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Moreno Valley

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$11,667.38	\$11,667.38
City of Moreno Valley	\$11,667.38	\$11,667.38
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Location Description:

City-wide

Activity Progress Narrative:

- Prepared and submitted Moreno Valley's NSP Management Plan and obtained HUD approval.
- Prepared NSP Administration budget
- Prepared and submitted an application for NSP 2 grant funds
- Currently developing an NSP marketing plan
- Held and attended various NSP implementation meetings
- Negotiated/secured staffing necessary for program success: Technical Advisor to draft Development Partner Guidelines

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
