

Grantee: Corona, CA

Grant: B-08-MN-06-0506

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-06-0506

Obligation Date:**Grantee Name:**

Corona, CA

Award Date:**Grant Amount:**

\$3,602,842.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:**Declaration Number**

NSP

Plan Description:**Recovery Needs:****Overall****Total Projected Budget from All Sources****This Report Period**

N/A

To Date

\$3,602,842.00

Total CDBG Program Funds Budgeted

N/A

\$3,602,842.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

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
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$540,426.30	\$0.00
Limit on Admin/Planning	\$360,284.20	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

During the first quarter of the grant, the City is on track to meeting all of the mandated deadlines for NSP. It has contracted with a certified community housing development organization (Mary Erickson Community Housing) to acquire, rehabilitate, and resell foreclosed upon, vacant homes to low and moderate income families. One house has been acquired and the rehabilitation is starting. The City and Mary Erickson are actively working with the National Stabilization Trust to find eligible properties. This has been challenging but issues are being worked out. The City also has been successful in procuring assistance for the administration of the grant augmenting City staff. As of June 30, 2009 the City's action plan remained in review status so no funds could be drawn.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Purchase & Rehabilitation (B)	\$0.00	\$0.00	\$3,602,842.00	\$0.00
2, Redevelopment (E)	\$0.00	\$0.00	\$0.00	\$0.00
3, NSP Administration	\$0.00	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 1-002

Activity Title: Acq/Rehab/Resale (MECH)

Activity Category:

Acquisition - buyout of residential properties

Project Number:

1

Projected Start Date:

03/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Purchase & Rehabilitation (B)

Projected End Date:

07/20/2013

Responsible Organization:

Redevelopment Agency to the City of Corona

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$2,141,847.00
Total CDBG Program Funds Budgeted	N/A	\$2,141,847.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$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 acquisition/rehabilitation/resale to first time homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be dependent on the household's debt capacity. Should there be an affordability gap, some portion of the City's original investment of acquisition and rehabilitation funds will remain in the property as a "silent second" (no monthly payments due, and a proportionate equity-share mechanism in lieu of interest) to be repaid upon change in title or status as owner-occupied housing. The property will have an affordability covenant recorded against it, for a period of 15 years. As with other assisted single family units through Corona's rehabilitation programs and down-payment assistance programs, continued affordability is ensured through an annual monitoring process. Initial acquisition by the activity sponsor (City's certified CHDO and/or other non-profit/for-profit developers) will average at least 15 percent below a current appraised value. No interest will be charged, instead a proportionate equity-share mechanism will be used. The sales price will be no greater than the total investment by the City (including acquisition, rehabilitation and associated program delivery costs). For example, if a completed unit is sold for \$200,000, and \$25,000 remains as a "silent second", this amount represents 12.5 percent of the original purchase price. When the unit is sold in future years, the \$25,000 principal and 12.5 percent of any equity (increase in value less capital improvements and costs of sale) would be recaptured. For example if the unit is sold in the future for \$400,000, and capital improvements to the unit and costs of sale total \$50,000, then the amount due to the City would be \$43,750 (original principal of \$25,000, plus 12.5 percent of the equity which is calculated at \$400,000 less household's acquisition price of \$200,000, less \$50,000 in capital improvements and costs of sale: \$400,000 - \$200,000 = \$200,000; \$200,000 - \$50,000 = \$150,000; \$150,000 x 12.5% = \$18,750; \$18,750 + \$25,000 = \$43,750). Activity delivery costs for this activity are estimated to 5% of the amount paid to the property owners. For this activity it is \$107,092.

Location Description:

Staff has identified the area bounded by the 91 Freeway in the north, Ontario Avenue in the south, Paseo Grande in the west, and Magnolia Avenue in the east as the area of greatest need and where NSP funds and activities will be given priority. The specific census tract block groups are as follows:

Tract Blkgrp Tract Blkgrp Tract Blkgrp Tract Blkgrp 041409 2 041500 1 041704 1 041412 1 041809 1
041500 2 041704 2 041813 1 040810 1 041812 1 041600 1 041813 3 041805 1 041703 1 041600 2
041905 1 041805 3 041703 2 041600 3 041702 1 041906 3 041703 3 041600 4 041702 3 0419.06 4
040808 2 041906 1 041906 2

Activity Progress Narrative:

During this quarter the City executed a sub-recipient agreement with Mary Erickson Community Housing (MECH), its certified Community Development Housing Organization, to acquire, rehabilitate and resell to low/moderate income households

foreclosed upon abandoned single family residences. The agreement was executed on May 18, 2009 and through June 30, 2010. MECH established their local office in Corona, hired one administrative staff person and established contact with National Community Stabilization Trust. They conducted daily conference calls to review status of properties that might be available through participating banks (initially that was only Wells Fargo) and worked through issues regarding how properties would be acquired through the Trust.

Mech considered a total of 9 properties resulting in two offers being made, three back up offers, waiting for pricing from the Trust on two properties, one pending inspection, and one property acquired for a total cost of \$146,597.72. Another 24 properties were viewed but not pursued for various reasons.

The City has not drawn any funds as of June 30, 2009 due to access issues with DRGR. The City's TIN number was not entered into the system and therefore the grant was blocked.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/10
# of housing units	0	0	1	0/0	0/0	1/10
# of Households benefitting	0	1	1	0/2	1/8	1/10
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/10
Total acquisition compensation to	0	0	146597	0/0	0/0	146597/203475

Activity Locations

Address	City	State	Zip
1672 Lilac	Corona	NA	92882

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: 3-001

Activity Title: RDA Admin. Expense

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

3

Project Title:

NSP Administration

Projected Start Date:

11/01/2008

Projected End Date:

07/20/2013

National Objective:

N/A

Responsible Organization:

Redevelopment Agency to the City of Corona

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$140,823.00
Total CDBG Program Funds Budgeted	N/A	\$140,823.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$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 grant administration which includes, but is not limited to, the following activities: • Compliance monitoring (NSP requirements, Labor Standards, Section 3, procurement, conflict of interest, EEO, URA, Affirmative Marketing, etc.). • Environmental review for compliance with the National Environmental Polices Act (NEPA) • Contracting • Procurement (including letting of appropriate Requests for Proposals, Notices of Funding Opportunities, etc.) • Financial data collection and reporting • Quarterly reporting • Data entry and reporting through DRGR • Providing technical assistance to activity sponsors • Ensuring public participation Further, the City will issue a Request for Proposals for a contractor to be engaged to assist in the administration of this grant for a 3 to 5-year period, as funds are available.

Location Description:

None. This activity supports the other funded activities.

Activity Progress Narrative:

City staff accomplished the following administrative/grant activities through June 30, 2009:

- Continued to participate in the Inland Empire NSP Coalition to collaborate and coordinate implementation of NSP.
- Developed and released an RFP for a consultant to assist in the administration of the grant.
- Selected a consultant to assist in the administration of the grant as a result of the RFP which augments City staff. The consultant, PMC, will be assisting the City for a period of 18 months at a cost of \$181, 461.
 - Drafted and executed agreements with Mary Erickson Community Housing for capacity building (\$50,000 from NSP administrative funds) and for the acquisition, rehabilitation, and resale of foreclosed upon vacant or abandoned homes (see ARR activity).
 - Executed a MOU with the National Community Stabilization Trust.

MECH accomplished the following administrative/capacity building activities through June 30, 2009:

- Searched for and found office space in Corona.
- Hired one administrative staff person to staff their Corona office full-time.
- Obtained bids from local title companies, realtors, and rehabilitation contractors. This has resulted in the establishment of a list of qualified, responsible, reasonable partners to work with during the term of MECH's agreement to acquire, rehabilitate, and resell foreclosed upon vacant or abandoned homes in the established NSP target area.
 - Hired a project manager to oversee the construction work and to conduct housing inspections prior to making an offer on eligible properties.
 - Hired a housing consultant to assist with the identification of eligible properties.

No funds were requested as the grant was blocked due to the City's TIN number being omitted from the DRGR set up. Staff is working with local field office to resolve.

Performance Measures

No 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
