

Grantee: Corona, CA

Grant: B-08-MN-06-0506

January 1, 2010 thru March 31, 2010 Performance Report

Grant Number:

B-08-MN-06-0506

Grantee Name:

Corona, CA

Grant Amount:

\$3,602,842.00

Grant Status:

Active

QPR Contact:

Alicia Howard

Obligation Date:**Award Date:****Contract End Date:****Review by HUD:**

Reviewed and Approved

Disasters:**Declaration Number**

NSP

Plan Description:**Recovery Needs:****Overall****Total Projected Budget from All Sources****Total CDBG Program Funds Budgeted****Program Funds Drawdown****Obligated CDBG DR Funds****Expended CDBG DR Funds****Match Contributed****Program Income Received****Program Income Drawdown****This Report Period**

N/A

N/A

\$1,244,180.16

\$0.00

\$48,854.11

\$0.00

\$204,650.00

\$0.00

To Date

\$3,602,842.00

\$3,602,842.00

\$1,705,919.91

\$3,602,842.00

\$1,718,670.46

\$0.00

\$204,650.00

\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	0.001%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$540,426.30	\$0.00
Limit on Admin/Planning	\$360,284.20	\$105,977.30
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

4th Quarter Progress
January 1, 2010 – March 31, 2010

As of March 31, 2010, the City of Corona completed the sale of the first property that was acquired with the NSP funds. The sale of the property resulted in a moderate income family of four purchasing their first home and the infusion of \$204,650 in program income flowing back into the NSP Acquisition, Rehab, Re-Sale activity.

In addition to the sale of our first property, Mary Erickson Community Housing (MECH), the City's community housing development organization has completed the rehabilitation work on the remaining eight (8) properties that were acquired.

Also, as of March 31, 2010 - nearly 85% of the funds allocated to the Acquisition, Rehab, and Resale activity have been expended. The remaining 15% of the funds will be utilized for the completion of the rehabilitation component of the activity. These funds will be expended by or before the middle of May 2010.

The City would like to note that we have implemented our energy efficiency policy as part of the rehabilitation process on each of our properties. The Redevelopment Agency also worked in collaboration with the Department of Water and Power to complete water audits on each of the properties to ensure that the most water efficient interior and exterior fixtures were installed at each property.

As of the 4th quarter the status of the 9 properties acquired with NSP funds are as follows (the sales prices are noted in parentheses next to the address):

NSP Properties Sold

1. 1672 Lilac (\$204,650)

NSP Properties Pending Escrow

1. 1270 Sunkist Circle (\$150,000)
2. 1358 Via Santiago Unit A (\$120,000)
3. 2337 Mesquite Lane (\$257,000)
4. 2252 Adrienne Drive (\$250,000)
5. 1109 Stone Pine Lane Unit A (\$153,000)

6. 985 W. Rancho Road (\$245,000)

NSP Properties Being Advertised for Sale

1. 109 W. Citron Street (\$250,000)
2. 1066 Sycamore Lane (\$208,000)

We are anticipating the sale of the six (6) properties that are currently in escrow to occur prior to the end of the 5th quarter. The lottery drawing for the two (2) properties that are being advertised for sale will also be held prior to the end of the 5th quarter.

Due to some issues of the lack of documentation with the notice to vacate and tenancy at the following property, the City decided that it would be best not to move forward with the acquisition of this property:

NSP Properties Cancelled Acquisitions

1. 319 W. Kendall Street

Activity 1-001

Acq/Rehab/Rental - Ownership

During the 4th quarter a very promising opportunity to purchase a 12 unit multi-family complex presented itself. To the City's knowledge, a notice of default has been transmitted to the owner of this property. The City has been in correspondence with the bank that holds title to the property as well as the sales broker to make certain that they are aware of our desire to acquire and rehab this complex.

The City's non-profit partner, Mary Erickson Community Housing (MECH) has initiated the due diligence process to acquire this multi-family property to be funded via the low-income set aside in the amount of \$900,711.

The City of Corona does not have a large inventory of multi-family units, therefore this is a fantastic and rare opportunity that would perfectly align itself with the objective that we desire to achieve through this activity. We anticipate receiving a firm answer on whether or not the City will go forward with the purchase of this unit prior to the end of the 5th quarter.

Overall the 4th quarter of this grant period has been very productive and we are on track with all of our internal milestones and continue to strive towards expending all of the funds that we have been awarded in a timely manner.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Purchase & Rehabilitation (B)	\$1,183,689.11	\$3,042,558.00	\$1,604,927.38
2, Redevelopment (E)	\$0.00	\$200,000.00	\$0.00
3, NSP Administration	\$60,491.05	\$360,284.00	\$100,992.53
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number:	1-001
Activity Title:	Acq/Rehab/Rental (NPHS)

Activity Category:

Acquisition - buyout of residential properties

Project Number:

1

Projected Start Date:

03/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Purchase & Rehabilitation (B)

Projected End Date:

07/20/2013

Responsible Organization:

Redevelopment Agency to the City of Corona

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$900,711.00
Total CDBG Program Funds Budgeted	N/A	\$900,711.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$900,711.00
Expended CDBG DR Funds	\$0.00	\$0.00
Redevelopment Agency to the City of Corona	\$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/rental, specifically for households earning less than 50 percent AMI. The City will issue a Notice of Funding Availability for the acquisition and rehabilitation of multi-family and/or single family units for rental to households at or below 50 percent AMI and/or permanent supportive housing, and/or group homes for special needs populations to expand affordable housing opportunities in this area. For long-term affordability, the City will record a Deed of Trust with re-sale restrictions as well as a Regulatory Agreement which will include re-sale/re-capture provisions that are comparable to those found in the HOME Investment Partnerships grant program. Further, the City will perform annual monitoring (desk and on-site) to ensure the terms of the long-term affordability covenants are being met. Activity delivery costs are estimated to be 5% of the amount to be paid directly to the property owners. For this activity is estimated to be \$45,036.

Location Description:

Area 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:

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:

Activity 1-001

Acq/Rehab/Rental - Ownership

During the 4th quarter a very promising opportunity to purchase a 12 unit multi-family complex presented itself. To the City's knowledge, a notice of default has been transmitted to the owner of this property. The City has been in correspondence with the bank that holds title to the property as well as the sales broker to make certain that they are aware of our desire to acquire and rehab this complex.

The City's non-profit partner, Mary Erickson Community Housing (MECH) has initiated the due diligence process to acquire this multi-family property to be funded via the low-income set aside in the amount of \$900,711.

The City of Corona does not have a large inventory of multi-family units, therefore this is a fantastic and rare opportunity that would perfectly align itself with the objective that we desire to achieve through this activity. We anticipate receiving a firm answer on whether or not the City will go forward with the purchase of this unit prior to the end of the 5th quarter.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2
# of Households benefitting	0	0	0	0/6	0/0	0/6
# 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	0/2
Total acquisition compensation to	0	0	0	0/0	0/0	0/855675

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: 1-002

Activity Title: Acq/Rehab/Resale (MECH)

Activity Category:

Acquisition - buyout of residential properties

Activity Status:

Planned

Project Number:

1

Project Title:

Purchase & Rehabilitation (B)

Projected Start Date:

03/01/2009

Projected End Date:

07/20/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Redevelopment Agency to the City of Corona

Overall

Jan 1 thru Mar 31, 2010

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	\$1,183,689.11	\$1,604,927.38
Obligated CDBG DR Funds	\$0.00	\$2,141,847.00
Expended CDBG DR Funds	\$33,219.58	\$1,612,693.16
Redevelopment Agency to the City of Corona	\$33,219.58	\$1,612,693.16
Match Contributed	\$0.00	\$0.00
Program Income Received	\$204,650.00	\$204,650.00
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:

Detail of Mary Erickson Community Housing's activity is provided in the overall narrative.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	6/10
# of housing units	0	0	0	0/0	0/0	3/10
# of Households benefitting	0	0	0	0/2	1/8	3/10
# 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	0	0/0	0/0	146597/203475

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:	2-001
Activity Title:	Acq/Rehab/Demo/Redev

Activity Category:
Acquisition - buyout of residential properties

Activity Status:
Planned

Project Number:
2

Project Title:
Redevelopment (E)

Projected Start Date:
03/01/2009

Projected End Date:
07/20/2013

National Objective:
NSP Only - LMMI

Responsible Organization:
Redevelopment Agency to the City of Corona

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$200,000.00
Total CDBG Program Funds Budgeted	N/A	\$200,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$200,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Redevelopment Agency to the City of Corona	\$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/demolition/redevelopment of foreclosed, abandoned single family properties that would require more funds to rehabilitate than to demolish and rebuild. After consultation with the City's Building Official, a determination would be made to demolish the structure instead of attempting to rehabilitate it. The property would then be made available to non-profit housing providers to plan the redevelopment of the property as soon as feasible. Redevelopment may include sale of the property as per the NSP requirements, or partnership with the non-profit agency. Other possible uses under this activity type might include vacant, foreclosed properties that allow for the expansion or improvement of a public facility. Activity delivery costs are anticipated to 5% or less of the proposed amount to be paid directly to property owners. For this activity it would be \$10,000.

Location Description:

The target 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. It is in the following census tract block groups:

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:

As of March 31, 2010, there is no activity to be reported on this activity.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2

# of Households benefitting	0	0	0	0/0	0/2	0/2
# 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	0/2
Total acquisition compensation to	0	0	0	0/0	0/0	0/190000

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:	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	Jan 1 thru Mar 31, 2010	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	\$9,137.91	\$26,462.24
Obligated CDBG DR Funds	\$0.00	\$140,823.00
Expended CDBG DR Funds	\$0.00	\$23,986.23
Redevelopment Agency to the City of Corona	\$0.00	\$23,986.23
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:

During the 4th quarter the City incurred routine expenses under the administrative activity. The City has two full time staff that spend on average 30 - 35% of staff time administering the NSP grant program.

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

Grantee Activity Number:	3-002
Activity Title:	MECH 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	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$50,000.00
Total CDBG Program Funds Budgeted	N/A	\$50,000.00
Program Funds Drawdown	\$24,876.89	\$36,416.54
Obligated CDBG DR Funds	\$0.00	\$50,000.00
Expended CDBG DR Funds	\$4,200.78	\$40,617.32
Redevelopment Agency to the City of Corona	\$4,200.78	\$40,617.32
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:

During the 4th quarter Mary Erickson Community Housing (MECH) completed the following administrative activities:

- Scheduling of the open house for 3 of the remaining 8 properties
- Conducting competitive bid process for rehab projects
- Completion of job walks for rehab bid approvals

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

Grantee Activity Number: 3-003

Activity Title: PMC Admin. Expense

Activity Category:

Administration

Project Number:

3

Projected Start Date:

11/01/2008

National Objective:

N/A

Activity Status:

Under Way

Project Title:

NSP Administration

Projected End Date:

07/20/2013

Responsible Organization:

Redevelopment Agency to the City of Corona

Overall

Jan 1 thru Mar 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$169,461.00
Total CDBG Program Funds Budgeted	N/A	\$169,461.00
Program Funds Drawdown	\$26,476.25	\$38,113.75
Obligated CDBG DR Funds	\$0.00	\$169,461.00
Expended CDBG DR Funds	\$11,433.75	\$41,373.75
Redevelopment Agency to the City of Corona	\$11,433.75	\$41,373.75
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 Policies 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:

During the 4th quarter the City's NSP Administrative Consultant, PMC, completed the following activities:

General Administration

- General coordination and technical assistance
- Supervision and staff assignments
- Buyer selection lottery review and assistance
- NSP Project area amendment.
- 25% Project Agreement Review
- NSP Policy and Procedures Manual
 - Submission of revised manual
- MECH Assistance
 - General coordination and on-call technical assistance
 - Review of monthly report

Environmental Review

No Activity during this quarter

- Homebuyer Program
 - Review of Homebuyer files
 - Rehabilitation
 - Sunkist, Citron and Mesquite progress payment draw reviews
 - Draw meeting attendance/progress inspections

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
