

Grantee: Corona, CA

Grant: B-11-MN-06-0506

July 1, 2013 thru September 30, 2013 Performance Report



Grant Number:

B-11-MN-06-0506

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

Corona, CA

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

Original - In Progress

Grant Amount:

\$1,317,310.00

Grant Status:

Active

QPR Contact:

Cynthia Lara

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$1,317,310.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Determination of Areas of Greatest Need

Describe how the areas of greatest need were established.

Response:

The City has conducted a single-family acquisition, rehabilitation and resale program since April of 2009. Beginning in the fall of 2010 the pipeline of eligible homebuyers decreased along with the general level of market activity.

Although home prices have stabilized, the pool of buyers suited to the types of homes being offered through the City's program has substantially decreased. This can be primarily attributed to tighter credit standards in the mortgage lending market, increased inventory of homes on the market, stagnating incomes, persistent unemployment, and the generally higher pricing of homes in Corona relative to income. Home prices remain substantially below those of 2007 however prices in Corona remain higher than neighboring communities in Riverside County. Residential rents have not shown a similar fall. Rental costs are a greater challenge to affordable housing now than they were just three years ago especially with the high unemployment rate in Riverside/San Bernardino counties, which has hovered around 14% over the past year.

Given the amount of funding allocated to the City through NSP3 and the recent changes in the housing market, the City determined that using NSP3 funds to subsidize one to three multi-family rental projects would have the most impact on the selected neighborhoods and be the most efficient and productive use of funds.

The City is proposing to target assistance to two areas.

Harrington Street Neighborhood

The first area is surrounding a vacant residential parcel at 1096 Harrington Street in the Northwest area of the City. The area includes Census Tracts 408.07, 408.8 in their entirety and portions of Census Tracts 415, 408.09 and 408.04. Tracts 408.07 and 408.8 contain the majority of residential properties in the area. The area is bounded by Corydon Street along the Northwest, Fairview Drive and Parkridge Ave on the Northeast, North Main Street on the East, Highway 91 on the South, and North Smith Avenue and West Rincon Street on the West. Please see the map attached as Exhibit B.

The area has an NSP3 Score of 18.02. The state threshold is 17. The area is majority LMMI (53.1 percent) and has a significant number of low-income households (33.5 percent). There are 3,674 housing units in the area. There is not a significant vacancy problem in the area but three quarters of the units in the area received a mortgage between 2004 and 2007, indicating a risk for high cost or adjustable rate mortgages that may have balances in excess of current market values. The number of homes delinquent or in foreclosure, number of foreclosure starts, and number of REO properties are all significant. The 30 units of affordable housing to be eventually developed are close to the 40 units identified as needed to create an impact. Please see the NSP3 Planning Data attached as Exhibit A.

The City has had a long-term interest in seeing the site develop as multi-family rental housing as the presence of a large undeveloped parcel in the middle of a residential area has had a blighting influence over time. The site was in the process of development as multi-family housing when the owner/developer defaulted on the financing used to acquire the site in mid 2010. The lender was contemplating foreclosure however ultimately chose to divest themselves of this nonperforming loan along with several other loans in their portfolio. The Redevelopment Agency of the City of Corona has since purchased the mortgage from the lender and is negotiating acquisition and clean title to the site via a deed-in-lieu of foreclosure. (Please note that the Redevelopment Agency is a legally distinct entity from the City.)

The City will solicit proposals to develop the property as affordable housing. NSP3 funds will be used to acquire the property from the Agency.

West 5th Street Neighborhood

The second area is surrounding an existing 12 unit multi-family property at 926 West 5th Street in central core area of the City. The area is comprised of Census Tract 417.04. The area is bounded by state highway 91 on the North, West Grand Blvd on the East, 10th Street on the South, and South Lincoln on the West. Please see the map attached as Exhibit C.

This area is an aging, densely populated residential area that includes urban commercial uses and mixed residential properties. It is suited to



permanent supportive housing in that it is near major transportation corridors served by public transit, near health and government services, close to schools and neighborhood shopping facilities.

The area is known to have a significant number of single-family rental units and small multi-family properties (under 50 units). The area also has a significant problem with blighted properties that are poorly maintained. The City views the rehabilitation of properties in this area and their conversion to affordable housing as part of a broader strategy to address blight and poverty.

The area has a NSP3 need score of 20 (state threshold = 17) with 911 housing units. It has a high concentration of low and moderate income persons with over 90 percent LMMI households and over 70 percent low-income households. Although the area does have other indicators of distress, the primary reason for selecting the area was to maximize the benefit to very-low-income households. The 12 units to be converted to permanent affordable housing are greater than the estimated seven units needed to impact the area.

How Fund Use Addresses Market Conditions:

Data sources were the NSP3 mapping tool and local market knowledge gained from implementation of the NSP1 program. The City consulted with its current NSP1 partners in program implementation, neighboring jurisdictions, and experts in local real estate. The City of Corona has an active role in the revitalization of local residential and commercial properties. City staff have significant knowledge and awareness of local market trends.

Given the amount of funding allocated to the City through NSP3 and the recent changes in the housing market, the City determined that using NSP3 funds to subsidize 1-3 multi-family rental projects would have the most impact on the selected neighborhood and be the most efficient and productive use of funds.

Ensuring Continued Affordability:

The City will use the HOME program long-term affordability standards found at 24 CFR 92.252. To assure long-term rental affordability, the City will record a Regulatory Agreement with Covenants to run with the land restricting the use of the property and requiring the provision of rent-restricted units. The number of affordable units in the development will be in proportion to the contribution of the NSP funds to the total development costs. In addition, the affordable units will be proportional to the units in the development and intermixed throughout the project. The City will also perform annual monitoring (desk and on-site) to ensure the terms of the long-term affordability covenants are being met.

Definition of Blighted Structure:

Definitions and Descriptions Definitions

Blighted Structure The City of Corona uses the State of California's definition of blight as found at California Health and Safety Code Sections 33030 and 33031 which are attached at Exhibit D.

Definition of Affordable Rents:

Affordable Rents - The City will use the HOME program rental affordability standards and definition of affordable rents found at 24 CFR 92.252.

Housing Rehabilitation/New Construction Standards:

Housing Rehabilitation Standards

The City will apply the existing standards used in the City of Corona Home Improvement Program. Please see the attached summary of those standards in Exhibit E.

All rehabilitated property and new construction will comply with all applicable state and local codes for health and safety of the occupants, accessibility, energy efficiency, and water conservation.

The City of Corona has adopted the 2010 California Green Building Standards (CALGreen) Code. The City has also adopted local energy and water conservation requirements for all new construction and major rehabilitation.

All major rehabilitation and new construction of multi-family structures will comply with the Energy Star standard (ASHRAE 90.1—2004, Appendix G) plus 20 percent.

Where feasible and in the course of the overall project, all rehabilitation will replace fixtures, appliances, or other building systems or components (windows, doors, HVAC, irrigation controllers) with Energy Star labeled products or those that provide a comparable reduction in energy consumption.

All rehabilitation and new construction will install water efficient fixtures (toilets, faucets, showers) such as those bearing the WaterSense label. All such projects will also install water conserving irrigation controllers which incorporate soil moisture and weather sensing instruments.

Where feasible and in the course of the overall project, all major rehabilitation will meet the current California state standards for seismic safety. All new construction must meet these requirements by law.

Vicinity Hiring:

Vicinity Hiring Requirement

The City will require as a condition of assistance that to the maximum extent possible, developers and contractors make any new hire employment opportunities available to persons who reside in the vicinity of the development and that all construction contractors and subcontractors will be required to make employment opportunities available to persons who reside in the vicinity.

The City will establish numeric targets prior to the start of construction and monitor vicinity hiring. These same efforts will be made to contract or subcontract with small businesses that are owned and operated by persons residing in the vicinity of the project.

Procedures for Preferences for Affordable Rental Dev.:

Rental Housing Preference

All of the activities proposed for NSP3 funding are rental housing.



Grantee Contact Information:

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,317,310.00
Total Budget	\$0.00	\$1,317,310.00
Total Obligated	\$0.00	\$1,317,310.00
Total Funds Drawdown	\$7,944.07	\$1,217,552.35
Program Funds Drawdown	\$7,944.07	\$1,217,552.35
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$5,871.57	\$1,217,552.35
Match Contributed	\$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	\$197,596.50	\$0.00
Limit on Admin/Planning	\$131,731.00	\$111,762.98
Limit on State Admin	\$0.00	\$111,762.98

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$131,731.00	\$116,854.30

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$329,327.50	\$329,328.00

Overall Progress Narrative:

The current quarter included activity under the two multi-family rental projects funded with the City's NSP grants (NSP1 and NSP3).

MISSION APARTMENTS (Affordable Family Apartments) - During this reporting period, plans/specifications were



approved, the job was awarded, additional funding was added to the project, additional electrical work for a complete site rewire was commissioned and construction site work commenced.

Due to the completeness of the construction documents, the project went out to bid on May 28, 2013 and was awarded to Carmody Construction on July 8, 2013. Based on the value engineering as supported by bid results of two previous procurements, it was determined that more funds were needed. Therefore, the HOME contribution was increased through a contract amendment between the City and MECH executed July 18, 2013. In the months of August and September, Carmody pulled public works and building permits for on- and off-site work that included; electrical work in the public alley, on-site demolition, roofing and a myriad of other site work. Additionally, the Department of Water and Power installed new domestic and irrigation laterals in accordance with new City regulations. Logos Architects commenced the full redesign of electrical infrastructure which includes undergrounding the service from the public right of way to the site in accordance with new City regulations. The coordination of this design and site work includes collaboration with Southern California Edison. The electrical plans are expected to be approved during the upcoming quarterly period.

Background: The Mission Apartment Project at 926 West 5th Street is a major rehabilitation project of 12-units that will provide housing for very to extremely low-income families. The project was put out to bid the third quarter of 2012. This initial procurement tendered bids that were over-budget, therefore, all bids were rejected and bid items were revised to minimize cost. The second procurement was also not successful as the two lowest bidders could not meet bonding requirements as required by HUD, and the third lowest bidder proposal was over budget. In May of 2013, after refining the project scope and hiring a new technical team to review and revise the plans and specifications, the project went out to bid for a third time. This time the award of the project was successful and all required funding was appropriated. The project is funded by local city housing funds, city HOME funds and federal NSP1 and NSP3 funds.

Citrus Circle Apartments (Affordable Family Apartments) 121-141-161 Buena Vista - During this reporting period, the Developer has been working with its technical team and City staff on the construction drawings. Additionally, the Developer has been finalizing its project financing with TCAC and a private lender. TCAC refined its household income limit requirements by increasing the number of 30% and 40% units and making other revisions to the affordable housing documents. The private lender also had changes to the affordable housing documents, as such, City staff and the Developer have been working through said changes and will take the documents back to the City Council for review and approval in the coming reporting period. Due to the 91 Fwy Expansion Project a portion of 121-141 Buena Vista was purchased by Riverside County Transit Commission (a partial take of the property). As part of this 'partial take' 8 units were purchased leaving 19 units to be rehabilitated in accordance with the housing agreement. During the upcoming reporting period, staff will work towards finalizing and getting approval on the revised housing documents and closing escrow on the City property; escrow is scheduled to close on November 16, 2013.

Background: The Affordable Housing Disposition Agreement between the City of Corona and Citrus Circle Apartments, L.P. was approved September 19, 2012. The purpose of this agreement was to provide \$2.3 million for the acquisition of 19 affordable housing multifamily units. Escrow for this transaction closed October 3, 2012, during the fourth quarter of 2012. In February 2013, first reporting period of 2013, the Developer negotiated with the City for the purchase of its property, a site adjacent to the existing apartments. This City property was slated for the construction of a groundwater well site. Upon completion of the well, the remaining portion was deemed to be excess. As such, the Developer in collaboration with City NSP administrators negotiated and entered into an affordable housing contract for the construction of 42 new units pending tax credit financing. On June 12, 2013, the 9% tax credit financing was granted. With the assemblage of these properties, the Developer will rehabilitate 19 units (purchased with NSP 1 & 3 funds) and construct 42 new units on the land purchased from the City of Corona. All units will be at 60%, 50%, 40% and 30% of the area AMI and affordable for a 55-year period.

Noteworthy, the City's initial NSP investment for the purchase of 19-units has resulted in the total of 61 very-to-extremely low affordable housing family units.

Summary of Expenditures (NSP3 Fund):

Total NSP3 funds expended this reporting period: \$5,871.57

Total NSP3 funds expended to date: \$1,217,552.35



A grand total of \$1,217,552.35 in NSP3 funds has been expended to date. This is 92% of the grant amount.

To date, the City has expended \$234,661.67 benefiting very-low-income persons. This is 71% of the 25% set-aside requirement (\$329,328.00). The City expects to expend the remainder by December 2013.

The NSP3 activities are not anticipated to generate program income.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, NSP 3 - Acquisition	\$0.00	\$871,127.70	\$871,127.70
2, NSP 3 - Rehab	\$5,408.50	\$329,328.00	\$234,661.67
3, NSP 3 - Administration	\$2,535.57	\$116,854.30	\$111,762.98
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Grantee Activity Number: 2
Activity Title: 926 W. 5th Street

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

2

Projected Start Date:

04/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

NSP 3 - Rehab

Projected End Date:

04/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Corona

Overall	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$329,328.00
Total Budget	\$0.00	\$329,328.00
Total Obligated	\$0.00	\$329,328.00
Total Funds Drawdown	\$5,408.50	\$234,661.67
Program Funds Drawdown	\$5,408.50	\$234,661.67
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$5,408.50	\$234,661.67
City of Corona	\$5,408.50	\$213,488.12
Redevelopment Agency, City of Corona	\$0.00	\$21,173.55
Match Contributed	\$0.00	\$0.00

Activity Description:

The City will provide assistance to rehabilitate an existing 12 unit multi-family property at 926 W. 5th Street. The acquisition of this property was funded with NSP1 funds in August of 2010. The property will be undergoing major rehabilitation.

The development will provide permanent supportive housing to formerly homeless persons. Rents will be targeted to be affordable to households earning not more than 50 percent of the area median income.

The City will provide assistance in the form of a deferred payment loan to the developer. Interest if any will be nominal and deferred. Re-payment may be based on residual receipts. The loan term will be for 55 years, since Redevelopment Low Mod funds will also be used, coterminous with the affordability restrictions.

To assure long-term rental affordability, the City will record a Regulatory Agreement with covenants to run with the land restricting the use of the property to the provision of permanent supportive housing and requiring the provision of rent-restricted units for a term of not less than 55 years.

The City will require as a condition of assistance that to the maximum extent possible, the developer make any new hire employment opportunities available to persons who reside in the vicinity of the development and that all construction contractors and subcontractors will be required to make employment opportunities available to persons who reside in the vicinity. The City will establish numeric targets prior to the start of construction and monitor vicinity hiring. The same efforts will be made to contract or subcontract with small businesses that are owned and operated by persons residing in the vicinity of the project

The City has had a long-term interest in producing permanent supportive housing. The property was in default and in the process of foreclosure. It was determined to be a suitable size and location to serve as permanent supportive housing. In August 2010 the City assisted Mary Erickson Community Housing (MECH), a CHODO, to acquire the property with NSP1 funds. NSP3 would be used to address relocation costs, additional rehabilitation needs, energy and water efficiency



improvements, that would help reduce future operating and maintenance costs. The City has conducted a single-family acquisition, rehabilitation and resale program since April of 2009. Beginning in the fall of 2010 the pipeline of eligible homebuyers decreased along with the general level of market activity. Although home prices have stabilized, the pool of buyers suited to the types of homes being offered through the City's program has substantially decreased. This can be primarily attributed to tighter credit standards in the mortgage lending market, increased inventory of homes on the market, stagnating incomes, persistent unemployment, and the generally higher pricing of homes in Corona. Home prices remain substantially below those of 2007 however prices in Corona remain higher than neighboring communities in Riverside County. Residential rents have not shown a similar fall. Rental costs are a greater challenge to affordable housing now than they were just three years ago especially with the high unemployment rate in Riverside/San Bernardino counties, which has hovered around 14% over the past year. Given the amount of funding allocated to the City through NSP3 and the recent changes in the housing market, the City determined that using NSP3 funds to subsidize 1-3 multi-family rental projects would have the most impact on the selected neighborhood and be the most efficient and productive use of funds.

Location Description:

Location Description The activity will take place in central core area of the City. The area is comprised of Census Tract 417.04. The area is bounded by state highway 91 on the North, West Grand Blvd on the East, 10th Street on the South, and South Lincoln on the West. Please see the map attached as Exhibit C. This area is an aging, densely populated residential area that includes urban commercial uses and mixed residential properties. It is suited to permanent supporting housing in that it is near major transportation corridors served by public transit, near health and government services, close to schools and neighborhood shopping facilities. The area has a NSP3 need score of 20 (state threshold = 17) with 911 housing units. It has a high concentration of low and moderate income persons with over 90 percent with incomes at or below 120 percent of the area median and over 70 percent with incomes at or below 80 percent of the area median. The 12 units to be converted to permanent affordable housing is greater than the estimated seven units needed to impact the area. The area is known to have a significant number of single-family rental units and small multi-family properties (under 50 units). The area also has a significant problem with blighted properties that are poorly maintained. The City views the rehabilitation of properties in this area and their conversion to affordable housing as part of a broader strategy to address blight and poverty.

Activity Progress Narrative:

During this reporting period, plans/specifications were approved, the job was awarded, additional funding was added to the project, additional electrical work for a complete site rewire was commissioned and construction site work commenced.

Due to the completeness of the construction documents, the project went out to bid on May 28, 2013 and was awarded to Carmody Construction on July 8, 2013. Based on the value engineering as supported by bid results of two previous procurements, it was determined that more funds were needed. Therefore, the HOME contribution was increased through a contract amendment between the City and MECH executed July 18, 2013. In the months of August and September, Carmody pulled public works and building permits for on- and off-site work that included; electrical work in the public alley, on-site demolition, roofing and a myriad of other site work. Additionally, the Department of Water and Power installed new domestic and irrigation laterals in accordance with new City regulations. Logos Architects commenced the full redesign of electrical infrastructure which includes undergrounding the service from the public right of way to the site in accordance with new City regulations. The coordination of this design and site work includes collaboration with Southern California Edison. The electrical plans are expected to be approved during the upcoming quarterly period.

Background: The Mission Apartment Project at 926 West 5th Street is a major rehabilitation project of 12-units that will provide housing for very to extremely low-income families. The project was put out to bid the third quarter of 2012. This initial procurement tendered bids that were over-budget, therefore, all bids were rejected and bid items were revised to minimize cost. The second procurement was also not successful as the two lowest bidders could not meet bonding requirements as required by HUD, and the third lowest bidder proposal was over budget. In May of 2013, after refining the project scope and hiring a new technical team to review and revise the plans and specifications, the project went out to bid for a third time. This time the award of the project was successful and all required funding was appropriated. The project is funded by local city housing funds, city HOME funds and federal NSP1 and NSP3 funds.

Summary of Expenditures (NSP3 Fund):

Total expended this reporting period: \$5,408.50
Total expended to date on this activity: \$234,661.67

This activity is not anticipated to generate program income.



Accomplishments Performance Measures

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

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/2
# of Multifamily Units	0	0/2

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/2	0/0	0/2	0
# Renter Households	0	0	0	0/2	0/0	0/2	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: 3

Activity Title: Administration

Activity Category:

Administration

Project Number:

3

Projected Start Date:

04/01/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

NSP 3 - Administration

Projected End Date:

04/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Corona

Overall

Total Projected Budget from All Sources

Jul 1 thru Sep 30, 2013

To Date

N/A

\$116,854.30

Total Budget

\$0.00

\$116,854.30

Total Obligated

\$0.00

\$116,854.30

Total Funds Drawdown

\$2,535.57

\$111,762.98

Program Funds Drawdown

\$2,535.57

\$111,762.98

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$463.07

\$111,762.98

City of Corona

\$463.07

\$65,712.34

Redevelopment Agency, City of Corona

\$0.00

\$46,050.64

Match Contributed

\$0.00

\$0.00

Activity Description:

Program Administration

Location Description:

N/A

Activity Progress Narrative:

The City has a staff member dedicating 50%-60 % of their time administering the NSP program. Additionally, the City has maintained consultant services to mitigate staffing shortfalls that occurred as a result of AB x1 26 - dissolution of all California redevelopment agencies which became effective February 1, 2012.

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

- * General Administration and technical assistance
- * DRGR assistance and troubleshooting
- * QPR review
- * Environmental review
- * Relocation monitoring response
- * Grant close-out preparation

Summary of Expenditures (NSP3 Fund):

Total expended this reporting period: \$463.07



Total expended to date on this activity: \$111,762.98

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



Grantee Activity Number: 4

Activity Title: Citrus Circle Apartments

Activity Category:

Acquisition - general

Project Number:

1

Projected Start Date:

07/01/2012

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

NSP 3 - Acquisition

Projected End Date:

04/30/2013

Completed Activity Actual End Date:

Responsible Organization:

Redevelopment Agency, City of Corona

Overall

	Jul 1 thru Sep 30, 2013	To Date
Total Projected Budget from All Sources	N/A	\$856,251.00
Total Budget	\$0.00	\$856,251.00
Total Obligated	\$0.00	\$856,251.00
Total Funds Drawdown	\$0.00	\$856,251.00
Program Funds Drawdown	\$0.00	\$856,251.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$856,251.00
City of Corona	\$0.00	\$856,251.00
Redevelopment Agency, City of Corona	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The City will provide assistance for the acquisition and rehabilitation of one or more existing multi-family residential properties with the purpose of developing rent-restricted multi-family housing.

The City will seek a development partner to acquire and possibly rehabilitate one or more existing properties. The development partner will then operate the property. The City would provide financing provided that the development partner provides rent-restricted housing units.

The development may be mixed-income rental housing provided that the proportion of the total cost of developing the project to be borne by NSP funds will be no greater than the proportion of units in the project that will be occupied by low, median and moderate income households; and at least 51% of the units in each structure are occupied by low, median and moderate income households.

Rents for NSP units will be targeted to be affordable to households earning not more than 80 percent of the area median income.

The City will provide assistance in the form of a deferred payment or a forgivable loan to the developer. Interest if any will be nominal and may be deferred. Re-payment may be based on residual receipts. The loan term will be for 30 years or greater depending on what other funds will be used to provide assistance, coterminous with the affordability restrictions.

To assure long-term rental affordability, the City will record a Regulatory Agreement with Covenants to run with the land restricting the use of the property and requiring the provision of rent-restricted units.

The City will require as a condition of assistance that to the maximum extent possible, the developer make any new hire employment opportunities available to persons who reside in the vicinity of the development and that all construction contractors and subcontractors will be required to make employment opportunities available to persons who reside in the vicinity. The City will establish numeric targets prior to the start of construction and monitor vicinity hiring. The same efforts will be made to contract or subcontract with small businesses that are owned and operated by persons residing in the vicinity of the project

Given the amount of funding allocated to the City through NSP3 and the recent changes in the housing market, the City determined that using NSP3 funds to subsidize multi-family rental projects will have the most impact on the selected



neighborhood and be the most efficient and productive use of funds.

Location Description:

The activity will take place in the center of the City. The area of impact includes Census Tracts 416, 417.02, and 417.04. This is a primarily residential area.

The area is bounded by the 91 Freeway on the north, S. Main Street on the east, W. Olive Street on the south, and S. Lincoln Avenue on the west. Please see the map attached as Exhibit B.

The area has experienced a significant number of foreclosures and residential vacancies. The number of housing units to be created by developing the vacant parcel will have a significant impact on the target area.

Activity Progress Narrative:

The Affordable Housing Disposition Agreement between the City of Corona and Citrus Circle Apartments, L.P. was approved September 19, 2012. Funds were wired on September 28, 2012 and escrow closed October 3, 2012, during the fourth quarter of 2012. The purpose of this agreement was to assist the developer acquire a tax-defaulted 27-unit multi-family property on the market for \$3.1 million. The property, 121-141-161 Buena Vista Avenue, is located adjacent to the 91 Fwy just north of Corona City Hall. Under the agreement, the City provided \$2.3 million of NSP funds for the acquisition in exchange for affordability covenants on 19 of the units; the difference in acquisition price was paid by the Developer. Note: due to the 91-FWY Expansion Project this site would be affected by a partial take of the property which included the taking of portion of the property containing 8-units. Surrounding this site was a vacant City lot being utilized for the construction of a water well. After some research it was determined that the City had no use for the unimproved portion of the lot and negotiated a sale of its land with the Developer. In February 2013, the Developer entered into an affordable housing and disposition agreement with the City for the purchase of its property for the purpose of expanding the 19-unit rehabilitation project. Per the amended agreement, the Developer would vie for 9% tax credit financing in order to rehabilitate the 19 NSP units and construction 42 additional affordable units, increasing the affordable unit count from 19 units to 61. On June 12, 2013, the 9% tax credit financing was granted. With the assemblage of these properties, the Developer will rehabilitate 19 units (purchased with NSP 1 & 3 funds) and construct 42 new units on the land purchased from the City of Corona. All units will be at 60%, 50%, 40% and 30% of the area AMI and affordable for a 55-year period.

Summary of Expenditures (NSP3 Fund):

Total expended this reporting period: \$0.00
 Total expended to date on this activity: \$856,251.00

This activity is not anticipated to generate program income.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/1
# of Parcels acquired by	0	0/0
# of Parcels acquired voluntarily	0	1/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/7
# of Multifamily Units	0	5/7

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	1/0	4/7	5/7	100.00
# Renter Households	0	0	0	1/0	4/7	5/7	100.00



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

