



COUNTY OF RIVERSIDE

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) SUBSTANTIAL AMENDMENT TO THE 2008-2009 ONE YEAR ACTION PLAN DECEMBER 1, 2008

Jurisdiction(s): County of Riverside (Urban County Program)	NSP Contact Person: Heidi Marshall 3403 10th Street, Suite 500 Riverside, CA 92501 951-343-5409 951-955-3426 Email: <u>hmarshall@rivcoeda.org</u>
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INTRODUCTION:

On September 26, 2008, the U.S. Department of Housing and Urban Development (HUD) announced that the County of Riverside would receive \$48,567,786 as part of the Neighborhood Stabilization Program (NSP). This allocation will be provided through HUD's Community Development Block Grant (CDBG) program under the *Housing and Economic Recovery Act of 2008*. These targeted funds will be used to acquire foreclosed homes; demolish or rehabilitate abandoned properties; and/or to offer purchase price assistance and closing cost assistance to low to moderate-income homebuyers.

In order to receive the NSP funding, the County is required to process a Substantial Amendment to the 2008-2009 One Year Action Plan of the 2004-2009 Consolidated Plan, effectively adding the NSP to the 2008-2009 CDBG allocation. Therefore, the County has prepared this Substantial Amendment for the NSP allocation.

A. AREAS OF GREATEST NEED

As of October 21, 2008, there were more than 29,107 foreclosed properties (REOs) in the entire County of Riverside – nearly 3.8% of all housing units. When the “pre-foreclosure” and “units at auction” are included, the number of impacted housing units is nearly 52,000, or 7.0% of all housing units. The County’s NSP allocation is the third-highest (non-State) allocation in the Country, and the Riverside-San Bernardino MSA is the fourth most impacted region in the nation.

The foreclosure impact within the County’s CDBG program jurisdiction is just as severe and devastating. The County’s current CDBG program includes the unincorporated areas (including the recently incorporated cities of Wildomar and Menifee) and fourteen (14) participating cities: Banning, Beaumont, Blythe, Canyon Lake, Cathedral City, Desert Hot Springs, Indio, Lake Elsinore, La Quinta, Murrieta, Norco, Perris, San Jacinto, Temecula. On October 21, 2008, the total number of REO properties within the County’s program area was 18,004 (10,508 within the 14 participating cities and 7,486 within the unincorporated areas). The 18,004 units represent 4.1% of the total housing stock within the County’s program area. When the “pre-foreclosure” and “units at auction” are considered, the number of impacted housing units in the County’s program area is 32,118, or 7.3% of all housing units. **(Note: Housing data based upon *RealtyTrac* and California Department of Finance reports)**

Targeting Areas of Greatest Need

The number and concentration of foreclosed units varies throughout the County’s CDBG/NSP program area. There are pockets of heavy concentrations within several participating cities and semi-urban unincorporated areas. In addition, there are several rural areas and remote mountain communities with a number of foreclosed units spread over a larger area.

The County has determined that the most effective and appropriate method to identify and target the areas with the greatest need and most impacted by the foreclosure crisis is a correlation between actual foreclosed units (using an established local data source) and HUD’s *Foreclosure and Abandonment Risk Score* data.

As noted above, the County is using *RealtyTrac* data to map the actual foreclosed units. The HUD Risk Scores are indicated by 2000 U.S. Census block groups and do not necessarily correspond to other boundaries. In the populated urban areas, the census block groups are smaller, and therefore more numerous; conversely, block groups in rural areas are much larger, yet they contain fewer people and fewer foreclosures. The HUD *Foreclosure and Abandonment Risk Score* data for the County’s program area is available upon request.

HUD’s Risk Scores are based upon the following factors:

- Area unemployment rate;
- Area average housing sales price decline (since the peak of the market);
- High cost loan rate (mortgages with interest-only payment options, stated income mortgages, mortgages with high loan to ratios, etc.);
- The predicted 18 month underlying foreclosure rate; and
- Housing units that have been vacant for at least 90 days.

After thorough review and analysis of the available foreclosure data and HUD Risk Scores, the County has identified and selected the targeted areas of greatest needs (NSP Target Areas) for the County NSP. There are a total of twenty-three (23) NSP Target Areas, and all NSP assistance will be limited to these target areas.

The primary criteria used to select these target areas were:

1. Concentration of actual foreclosed units;
2. HUD risk scores of no less than 7; and
3. Areas most suitable for targeted and focused NSP assistance.

The table below provides basic information for each NSP Target Area. The information includes target area name, Supervisorial District, total area, corresponding HUD Risk Score, and the NSP map number.

TARGET AREA NAME	DISTRICT	AREA (SQ MILES)	US CENSUS BLOCK GROUPS	HUD RISK SCORES	NSP MAP NUMBER
Lakeland Village/Wildomar	1	10.48	See attachments	8,9	I - 1
Lake Elsinore	1	30.33	See attachments	7,8,9	I - 2
Temescal Canyon	1	33.1	See attachments	8	I - 3
Eastvale	2	24.14	See attachments	8	II - 1
Home Gardens	1,2	1.04	See attachments	8,9,10	II - 2
Norco	2	10.59	See attachments	7,8	II - 3
Rubidoux	2	12.03	See attachments	7,8,9	II - 4
Canyon Lake	3	5.95	See attachments	8,9	III - 1
East Hemet	3	3.43	See attachments	8,9	III - 2
French Valley	3	54.63	See attachments	8	III - 3
Menifee	3	67.29	See attachments	8,9	III - 4
Murrieta	3	25.36	See attachments	7,8	III - 5
San Jacinto	3	20.62	See attachments	8,9	III - 6
Temecula	3	19.50	See attachments	7,8	III - 7
Blythe	4	5.48	See attachments	9	IV - 1
Cathedral City	4	7.79	See attachments	7,8,9	IV - 2
Indio	4	15.93	See attachments	7,8,9	IV - 3
Thousand Palms	4	71.63	See attachments	9,10	IV - 4
Banning	5	13.00	See attachments	8,9,10	V - 1
Beaumont	5	8.86	See attachments	8,9	V - 2
Desert Hot Springs	5	23.57	See attachments	10	V - 3
Highgrove	5	1.53	See attachments	9	V - 4
Perris	5	11.78	See attachments	8,9	V - 5

Upon review of the table, the following should be noted:

1. All five supervisorial district have NSP Target Areas;
2. Target areas are located in unincorporated areas and thirteen cooperating cities;
3. 22 out of 23 (96%) of the target areas comprise block groups with HUD Risk scores of 8 or higher;
4. 12 out of 23 (51%) target areas comprise block groups with HUD Risk Scores of 9 or higher;
5. The NSP Target Areas comprise 478.06 square miles or 6.99% of the County's total CDBG program area; and

Attachment A to this NSP Substantial Amendment contains maps that provide visual representations of the County's NSP Target Areas. The maps indicate the fixed boundaries of the target areas, concentrations of foreclosed units, and HUD Risk Scores. In addition, each map identifies political boundaries, major roads and highways, and contains a legend identifying the types of foreclosed properties. Attachment E provides Census Block Group data for the twenty-three (23) designated NSP Target Areas.

Given the significant size of the County of Riverside, and the large amount of NSP funds, the County has determined that designating twenty-three target areas is appropriate and equitable. Further, these limited target areas will allow for the focused investment of NSP funds in neighborhoods that have been most impacted by the foreclosure crisis.

B. DISTRIBUTION AND USES OF FUNDS

B.1. Distribution of NSP Funds

The County of Riverside will distribute the NSP funds by targeting areas with the "greatest need" within the NSP Program Area in accordance with the requirements of Section 2301(c)(2) of *Housing and Economic Recovery Act of 2008*. The County will comply with the "greatest need" targeting requirements by prioritizing the distribution and use of NSP funds to those neighborhoods and communities with the:

- Highest percentages of home foreclosures;
- Highest percentages of homes financed by sub-prime mortgage related loans; and
- Areas most likely to experience a significant rise in the rate of home foreclosure (predicted 18 month underlying problem foreclosure rate).

These targeted areas of greatest need are identified in Section A. The County has determined that the most effective and appropriate method to identify and target areas with the greatest need is by correlating the actual foreclosed unit data with HUD's *Foreclosure and Abandonment Risk Score* data. The HUD Risk Score incorporates the sub-prime mortgage related loan data and the areas most likely to experience significant increase in foreclosure rate data. This correlated data is

presented in the various NSP maps found in Attachment A. However, the NSP maps provide adequate detail to identify and target impacted areas.

In summary, NSP funds are being made available to specific targeted neighborhoods in all five supervisorial districts – in both unincorporated areas and thirteen cooperating cities.

B.2. Uses of NSP Funding

NSP funds will be used in four (4) primary activities, plus administration:

1. Acquisition, rehabilitation, and resale to first-time homebuyers - \$20,000,000;
2. Acquisition, rehabilitation, and rental, to very-low income persons - \$1,855,000;
3. Enhanced First-Time Home Buyer Program - \$9,700,000;
4. Acquisition and rehabilitation of foreclosed, vacant multi-family properties, new construction of multi-family rental projects - \$12,157,000; and
5. Redevelopment of vacant or demolished properties for non-residential uses including public facilities, commercial uses, or mixed residential and commercial uses. No specific amount of NSP funds have been allocated to this use at this time.
6. NSP program administration: administration costs will not exceed ten-percent (10%) of the NSP grant and ten-percent (10%) of program income - \$4,855,786.

NSP 1 ACQUISITION, REHABILITATION, AND RESALE TO FIRST-TIME HOMEBUYERS

The County of Riverside will acquire and rehabilitate foreclosed, or abandoned (for at least 90 days) single family homes and sell them to income-eligible first-time homebuyers. The County will partner with various public for-profit, and non-profit private organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside. The final sales price will not exceed the cost of acquisition, rehabilitation, and resale. Acquisitions will average at least 1% below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller. The acquisition and rehabilitation will be funded with NSP funds.

DISPOSITION OF NSP 1 ASSISTED PROPERTIES

This newly created activity is to capture and group all resale properties that are part of the NSP1 activity. The homes acquired by the County of its various partners will be sold to eligible first time home buyers who have not owned a home in the previous three (3) years, have a household income that does not exceed 120% median and have attended a HUD certified home buyer counseling session. The purchase price assistance provided to eligible first time home buyers is in the form of a silent second lien in an amount up to 30% of the selling price, not to exceed

seventy five thousand dollars (\$75,000), with an equity share restriction and a recapture agreement for a time period not to exceed fifteen (15) years. Very low income first time homebuyers with household income not exceeding 50% of the area median income may qualify for up to fifty percent (50%) of the selling price as purchase price assistance, not to exceed \$75,000. The purchase price assistance provided to eligible first time home buyers will be funded from the net proceeds of the sale.

The County proposes to allocate a total of **\$20,000,000** of NSP funds to the combined activities including: acquisition, rehabilitation, and resale to first time homebuyers.

NSP 2 ACQUISITION, REHABILITATION, AND RENTAL OF AFFORDABLE UNITS

The County of Riverside may acquire and rehabilitate foreclosed, abandoned (for at least 90 days) single family homes and rent them to households earning not more than 120% of the County area median income (See Attachment C). The County will partner with various public for-profit, and non-profit private organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside. Acquisitions will average at least 1% below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller.

The full acquisition and rehabilitation may be funded with NSP funds. The County proposes to allocate a total of **\$1,855,000** of NSP funds to the combined activities including acquisition, rehabilitation, and rental of affordable units.

NSP 3 ENHANCED FIRST TIME HOME BUYER PROGRAM

The County of Riverside will offer a financing mechanism to eligible first-time home buyers to enable them to directly acquire foreclosed or abandoned single family homes using NSP funds.

The *Enhanced First Time Home Buyer Program* provides purchase price assistance to low and moderate-income households that have not owned homes within a three-year period. The program is available for households with an annual income that is no greater than 120% of the area median income as published by HUD (**See Attachment C**). The Enhanced FTHB Program provides 20% of the purchase price with a 15-year affordability period as a “silent second” loan plus a rehabilitation component to enhance the physical appearance of the home and remove all health and safety concerns to satisfy the Housing Quality Standards (HQS). The total amount of assistance for each home will not exceed \$75,000 (which includes both purchase price assistance and rehab).

A variety of media will be used to inform the public and potential homebuyers of the homebuyer assistance program including the website: www.rchomelink.com. Brochures in English and Spanish will be distributed to businesses, schools, and other public areas. The County will partner with community organizations, employment centers, fair housing groups, lenders, and

housing counseling agencies which will be in the forefront of disseminating information about the Enhanced FTHB program.

The purchase price assistance and rehabilitation costs will be funded with NSP funds. The County proposes to allocate **\$9,700,000** of NSP funds to this activity.

NSP 4 ACQUISITION AND REHABILITATION OF FORECLOSED AND VACANT MULTI-FAMILY PROPERTIES, OR THE CONSTRUCTION OF NEW MULTI-FAMILY RENTAL PROJECTS

The County of Riverside will meet its requirement to expend at least twenty-five (25%) of the NSP allocation on projects that provide affordable housing to the persons and families earning less than 50% area median income (**See Attachment C**). The County will partner with various public, for-profit, and non-profit private development organizations to provide for the redevelopment or new construction of affordable multi-family rental projects. The County will use and operate this allocation of NSP funds in a form compatible with the use of HOME funds to the extent that NSP and HOME regulations do not contradict.

All designated NSP units will be reserved and affordable to households earning less than fifty percent (50%) of the area median income. The County will require and monitor a regulatory agreement to ensure an affordability period of at least fifty-five (55) years.

NSP funds will be eligible for use in any aspect of development including land acquisition, soft development costs, and hard construction costs. The County proposes to allocate **\$12,157,000** of NSP funds to this activity.

NSP 5 REDEVELOPMENT OF VACANT OR DEMOLISHED PROPERTIES, OR THE REDEVELOPMENT OF ACQUIRED AND DEMOLISHED RESIDENTIAL PROPERTIES FOR NON-RESIDENTIAL USES INCLUDING PUBLIC FACILITIES.

The County will consider proposals to use NSP funds for eligible costs associated with activities under this category. NSP funds will be limited to projects providing eligible public facilities in the NSP Target Areas. Public facilities would include health clinics, community center and parks, as well as facilities for childcare, seniors, job training, neighborhoods, and other eligible public facilities.

As noted above, no NSP funds have been allocated to this activity under this Substantial Amendment. However, if specific projects under this category are approved by the County, sufficient NSP funds will be reprogrammed from NSP activities 1-3.

NSP 6 ADMINISTRATION

The County will allocate not more than 10% of the NSP grant to the administration of the above stated programs and projects. The County proposes to allocate **\$4,855,786** of NSP funds to this activity.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

The County of Riverside defines blight consistent with the *California Health and Safety Code* definition of a blighted structure as:

California Health and Safety Code Section 33030

It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of health, safety, and general welfare of the people of these communities and of the state.

A blighted area is one that contains BOTH of the following:

- a. An area that is predominately urbanized, as the term is defined in section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.
- b. An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of inadequate public improvements or inadequate water or sewer facilities

California Health and Safety Code Section 33031

This subdivision describes physical conditions that cause blight:

- a. Buildings which are unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

- b. Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. This condition may be caused by buildings of a substandard, defective or obsolete design or construction given the present general plan, zoning or other development standards.
- c. Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- d. The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given the present general plan, and zoning standards and present market conditions

This subdivision describes economic conditions that cause blight:

- a. Depreciated or stagnant property values.
- b. Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).
- c. Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- d. A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- e. Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, “overcrowding” means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of regulations.
- f. An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
- g. A high crime rate that constitutes a serious threat to the public safety and welfare.

(2) Definition of “affordable rents

The County of Riverside defines affordable rents consistent with the *California Health and Safety Code* definition of affordable rents as:

California Health and Safety Code Section 50053

- (a) For any rental housing development that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department that shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.
- (b) For any rental housing development that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:
 - i. For extremely low income households the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.
 - ii. For very low income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
 - iii. For lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.
 - iv. For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(3) Continued affordability for NSP assisted housing.

For homebuyers, the County of Riverside will adopt the affordability periods required in the HOME regulations defined in 24 CFR Part 92. The County will record a regulatory agreement against title to the property requiring owner-occupancy by an initially determined first time home buyer earning not more than 120% of the area median income. This affordability period will be allowed to terminate where homeowner repays the loan upon transfer, sale or refinancing of the home.

For single-family rental units, the County of Riverside will adopt the affordability periods required in the HOME regulations defined in 24 CFR Part 92. The County will record a regulatory agreement against title to the property requiring affordable rents to the very low-income population or those households earning not more than 50% of the area median income.

For multi-family rental units, the County of Riverside will require rents affordable to the very low-income population or those households earning not more than 50% of the area median

income for a minimum period of fifty-five (55) years. The County will record a regulatory agreement against title to the property requiring property management and maintenance in addition to affordable rents for the term of the regulatory agreement.

(4) Housing rehabilitation standards that will apply to NSP assisted activities.

The County of Riverside will adopt the HUD defined *Housing Quality Standards* (HQS) as its standard for rehabilitation.

D. LOW-INCOME TARGETING

The County's total NSP allocation is \$48,567,786. The County will allocate at least 25%, or \$12,157,000, for housing activities that benefit individuals and families whose incomes do not exceed 50% of the area median income (**See Attachment C**).

The County will utilize the 25% set-aside for very-low income persons through activity **NSP 4** (described in Section B.2). Where feasible and appropriate, the County will assist very-low income families through other NSP activities such as the Enhanced First-Time Homebuyer Program

E. ACQUISITIONS & RELOCATION

All activities below are anticipated to be initiated upon the release of NSP funds. All funds will be initially committed within eighteen (18) months. Several of these activities anticipate the receipt of program income which will continue to be used within the NSP guidelines until the program ends (estimated July 2013).

- a. **No conversions are anticipated.** As indicated in Section B above, a small number of units may be acquired and demolished. The County does not anticipate any of these units to have affordability covenants; however, some of these may have been occupied and/or owned by low- and moderate-income households. The number of units in this category should not exceed eight (8).
- b. **The number of NSP affordable housing units made available to low-, moderate-, and middle-income households reasonably expected to be produced by the various activities are as follows:**
 - i. **Acquisition/Rehabilitation/Resale to First-Time Homebuyer:** With an allocation of \$20,000,000 of NSP allocated and expended for this activity, the County anticipates **150 units** being made available to households with incomes at 51% to 120% of the area median income.

The amount of final NSP assistance per unit will depend upon purchase price of units, rehabilitation costs, disposable income of purchaser (affordability), and the availability of private and other non-NSP financing. It is anticipated that most units will be sold to households earning between 75% and 120% of the area median income.

In the event that other private and non-NSP funds are limited, the County may have to finance all or a larger portion of the sale of a unit. This will result in a significantly lower number of units being made available.

- ii. **Acquisition/rehabilitation/rental:** With an allocation of \$1,855,000 for this activity, the County anticipates up to **ten (10) units** being acquired, rehabilitated, and made available to rent to households earning less than 120% of the area median income. The amount of final NSP assistance per unit will depend upon purchase price of units and final rehabilitation costs.
- iii. **Enhanced First-Time Homebuyer:** With an allocation of \$9,700,000, the County anticipates that up to **190 units** will be made available to households with incomes at 51% to 120% of the area median income. The amount of final NSP assistance per unit will depend upon purchase price of units, rehabilitation costs, disposable income of purchaser (affordability), and the availability of private and other non-NSP financing. It is anticipated that most units will be sold to households earning between 75% and 120% of the area median income.
- c. **The number of dwelling units anticipated to be made available to households at or below 50% AMI:** The number of units to be made available to households earning less than fifty-percent (50%) AMI will be dependent upon the amount of leveraging that the affordable housing partners can produce, as well as acquisition and rehabilitation costs. The County anticipates that **40-120 units** will be made available for this income category.

The County of Riverside does not intend to demolish or convert any existing low or moderate-income dwelling units.

F. SUMMARY OF PUBLIC COMMENTS – CITIZEN PARTICIPATION

On October 25, 2008, the Riverside County Board of Supervisors directed the Economic Development Agency to develop and prepare the Draft Substantial Amendment for the County's NSP allocation. On November 10, 2008, the Draft NSP Substantial Amendment was placed on Economic Development Agency's website (www.rivcoeda.org), with a link on the County's main website (www.countyofriverside.us). Printed versions of the draft NSP plan were made available at the following locations:

Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501

Workforce Development Center
44-199 Monroe Street
Indio, CA 92201

On November 11, 2008, the County published a Public Notice in the *Press Enterprise* (a publication of general circulation) informing the public of the availability of the Draft NSP Substantial Amendment for public comment and review until 5:00 PM, on November 26, 2008.

In summary, the public was provided a sixteen (16) day comment period for the draft NSP substantial amendment. The County received three (3) comments (two written, one verbal) regarding the draft NSP plan during the comment period. A summary of these comments can be found in **Attachment D** of this document.

G. NSP ACTIVITY INFORMATION

(1) Activity Name: **(NSP 1) Acquisition, Rehabilitation, and Resale to First-Time Homebuyers \$20,000,000**

(2) Activity Type:

NSP eligible use:

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell to eligible buyers through a First Time Homebuyer Program

CDBG eligible activity:

24 CFR 570.201 (a) acquisition and (b) disposition

24 CFR 570.202 rehabilitation and preservation activities for homes and other residential properties

(3) National Objective: Funds will meet the national objective of benefiting low, moderate, and middle-income persons, as defined by NSP regulations (120% of area median income), by the sale of rehabilitated homes to households earning not more than 120% of the area median income (**See Attachment C**).

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: The projected end date is July 30, 2013

(6) Responsible Organization:

Heidi Marshall
Riverside County Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501
Phone: 951.343.5409
Fax: 951.955.6686

(7) Location Description: This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

(8) Activity Description: The County of Riverside will acquire and rehabilitate foreclosed or abandoned single family homes and sell them to income-eligible first-time homebuyers. The County will partner with various public, for-profit, and non-profit private organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside. The final sales price will not exceed the cost of acquisition, rehabilitation, and resale. All individual acquisitions will be at least 1% below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. The minimum average discount for the entire NSP portfolio will be at least 1% below the current market appraised values. Homes may be purchased in bulk from a single seller. The acquisition and rehabilitation will be funded with NSP funds.

Disposition of NSP1 Assisted Properties:

The homes acquired by the County of its various partners will be sold to eligible first time home buyers who have not owned a home in the previous three (3) years, have a household income that does not exceed 120% median and have attended a HUD certified home buyer counseling session. The purchase price assistance provided to eligible first time home buyers is in the form of a silent second lien in an amount up to 30% of the selling price, not to exceed seventy five thousand dollars (\$75,000), with an equity share restriction and a recapture agreement for a time period not to exceed fifteen (15) years. Very low income first time homebuyers with household income not exceeding 50% of the area median income may qualify for up to fifty percent (50%) of the selling price as purchase price assistance, not to exceed \$75,000. This newly created activity is to capture and group all resale properties that are part of the NSP1 activity. The purchase price assistance provided to eligible first time home buyers will be funded from the net proceeds of the sale.

Acquisition/Rehabilitation:

Target Areas. This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

Blighted structures. Unoccupied homes, vacant for a period of 90 days that may be inhabitable and require rehabilitation to improve sustainability and attractiveness of housing and neighborhoods.

Eligible Properties. Blighted single-family homes that have been foreclosed upon, bank-owned or real estate owned (REO) and certified as vacant for a period of 90 days. The County will give priority to properties constructed after January 1, 2000; older dwellings are eligible if they are suitable for renovation and if rehabilitation costs are reasonable. However, all properties must be post-1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.

Appraisals. The current market appraised value is the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act at 49 CFR 24.103 and completed within sixty (60) days prior to an offer made for the property by a grantee, sub recipient, developer, or individual homebuyer.

Discount. Properties must be purchased at a minimum average discount rate of 15% below the current market-appraised value.

Displacement, relocation, and acquisition. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Act (URA) and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42. All reasonable steps must be taken to minimize the displacement of persons as a result of activity assisted with NSP Funds.

Environmental Review. The environmental effects of each activity carried out with NSP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. Projects may be required to comply with Laws and Authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

Rehabilitation Standards. Any NSP-assisted rehabilitation of a foreclosed-upon home or residential property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The rehabilitation will strategically incorporate modern, green-building, and energy-efficiency improvements thereby providing increased sustainability and attractiveness of housing and neighborhoods.

Labor Standards. Every contract for the rehabilitation of housing that includes 8 or more units assisted with NSP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act. The Davis-Bacon Act requires that all contractors and subcontractors performing on federal contracts (and contractors or subcontractors performing on federally assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area.

Resale:

- a. Sales Price. The final sales price will be no greater than the initial acquisition and rehabilitation costs. NSP regulations direct that, if an abandoned or foreclosed-upon home or residential property is purchased, redeveloped, or otherwise sold to an individual as a primary residence, then such sale shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition. (Sales and closing costs are eligible NSP redevelopment or rehabilitation costs.) Note that the maximum sales price for a property

is determined by aggregating all costs of acquisition, rehabilitation, and redevelopment (including related activity delivery costs, which generally may include, among other items, costs related to the sale of the property).

- b. Income Restrictions. Low, moderate, and middle income (LMMI) households whose incomes are at or below 120% of the area median income, adjusted by family size at the time of occupancy, for the County of Riverside.
 - c. Terms of Affordability. Homes shall be affordable for a minimum of fifteen (15) years.
 - d. Counseling. Each homebuyer must receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. The homebuyer will obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages.
- (9) Total Budget: The full acquisition, rehabilitation, and resale may be funded with NSP funds. The County proposes to allocate a total of **\$20,000,000** of NSP funds to the activities including: Acquisition, rehabilitation and resale to first time homebuyers.
- (10) Performance Measures At least **150 units** of housing will be acquired, rehabilitated, and resold to households earning not more than 120% of the area median income.

(1) Activity Name: **(NSP 2) Acquisition, Rehabilitation, and Rental of Affordable Units \$1,855,000**

(2) Activity Type:

NSP eligible use:

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to rent/lease to qualified 120% AMI families.

CDBG eligible activity:

24 CFR 570.201 (a) acquisition and (b) disposition

24 CFR 570.202 rehabilitation and preservation activities for homes and other residential properties

(3) National Objective: Funds will meet the national objective of benefiting low, moderate, and middle-income persons, as defined by NSP regulations (120% of area median income), by rental of rehabilitated homes to households earning not more than 120% of the area median income (See Attachment C).

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: The projected end date is July 30, 2013

(6) Responsible Organization:

Heidi Marshall
Riverside County Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501
Phone: 951.343.5409
Fax: 951.955.6686

(7) Location Description: This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

(8) Activity Description: The County of Riverside will acquire and rehabilitate foreclosed, abandoned single family homes and rent them to households earning not more than fifty percent (50%) of the County area median income. The County will partner with various public, for-profit, and non-profit private organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside.

Acquisition/Rehabilitation:

Target Areas. This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

Blighted structures. Unoccupied homes, vacant for a period of 90 days that may be inhabitable and require rehabilitation to improve sustainability and attractiveness of housing and neighborhoods.

Eligible Properties. Blighted single-family homes that have been foreclosed upon, bank-owned or real estate owned (REO) and certified as vacant for a period of 90 days. The County will give priority to properties constructed after January 1, 2000; older dwellings are eligible if suitable for renovation and if rehabilitation costs are reasonable. However, all properties must be post-1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.

Appraisals. The current market appraised value is the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act at 49 CFR 24.103.

Discount. Properties must be purchased at a minimum average discount rate of 1% below the current market-appraised value.

Displacement, relocation, and acquisition. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Act (URA) and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42. All reasonable steps must be taken to minimize the displacement of persons as a result of activity assisted with NSP Funds.

Environmental Review. The environmental effects of each activity carried out with NSP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. Projects may be required to comply with Laws and Authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

Rehabilitation Standards. Any NSP-assisted rehabilitation of a foreclosed-upon home or residential property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. Under the Rebuild 2009 Program, rehabilitation will strategically incorporate modern, green-building, and energy-efficiency improvements thereby providing increased sustainability and attractiveness of housing and neighborhoods.

Labor Standards. Every contract for the rehabilitation of housing that includes 8 or more units assisted with NSP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act. The Davis-Bacon Act requires that all contractors and subcontractors performing on federal contracts (and contractors or subcontractors performing on federally

assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area.

Rent:

- a. Affordable Rents. The County of Riverside will adopt affordable rents as defined by the California Health and Safety Code Section 50053 (b) (4) as the minimal compliance with this standard. The maximum monthly allowances for utilities and services (excluding telephone) will not exceed utility allowance set by the Housing Authority of the County of Riverside.
- b. Income Restrictions. Program will be limited to households whose incomes do not exceed 120% area median income, adjusted by family size at the time of occupancy, for the County of Riverside. The County will prioritize rental housing under this activity for households earning less than fifty percent (50%) area median income.
- c. Terms of Affordability. HOME program standards at 24 CFR 92.252(e) provides that the length of the affordability period per existing housing unit shall remain affordable for a minimum of fifteen (15) years.

(9) Total Budget: The full acquisition, rehabilitation, and rental may be funded with NSP funds. The County proposes to allocate a total of **\$1,855,000** of NSP funds to the combined activities including: Acquisition, rehabilitation, and rental of affordable units.

(10) Performance Measures Approximately **ten (10) units** of housing will be acquired, rehabilitated, and rented to households earning not more than 120% of the area median income. Priority will be given to households earning less than fifty-percent (50%) of are median income.

(1) Activity Name: **(NSP 3) Enhanced First-Time Home Buyer Program**
\$9,700,000

(2) Activity Type:

NSP eligible use:

Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers

CDBG eligible activity:

24 CFR 570.201 (n) direct homeownership assistance

(3) National Objective: Funds will meet the national objective of benefiting low, moderate and middle-income persons, as defined by NSP regulations (120% of area median income), by providing direct homeownership assistance to households earning not more than 120% of the area median income.

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: The project end date is July 30, 2013.

(6) Responsible Organization:

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Riverside County Economic Development Agency
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Phone: 951.343.5409
Fax: 951.955.6686

(7) Location Description: This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

(8) Activity Description:

The County of Riverside will offer a financing mechanism to eligible first time home buyers in their effort to directly acquire foreclosed, abandoned single family homes.

The Enhanced First Time Home Buyer Program provides purchase price assistance to low and moderate-income households that have not owned homes within a three-year period. The program is available for households with an annual income that is no greater than 120% of the area median income as published by HUD. The Enhanced FTHB Program provides 20% of the purchase price with a 15-year affordability period as 0%, “silent second” loan plus a rehabilitation component to enhance the physical appearance of the home and remove all health

and safety concerns as listed in the Housing Quality Standards (HQS). The total amount of assistance for each home will not exceed \$75,000 (which includes both purchase price assistance and rehab).

A variety of media will be used to inform the public and potential homebuyers of the homebuyer assistance program. Brochures in English and Spanish will be distributed to businesses, schools, and other public areas. The County will partner with community organizations, employment centers, fair housing groups, lenders, and housing counseling agencies which will be in the forefront of disseminating information about the Enhanced FTHB program.

The purchase price assistance and rehabilitation costs will be funded with NSP funds.

Target Areas. This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

Blighted structures. Unoccupied homes, vacant for a period of 90 days that may require minimal rehabilitation to improve sustainability and attractiveness of housing and neighborhoods.

Eligible Properties. Blighted single-family homes that have been foreclosed upon, bank-owned or real estate owned (REO) and certified as vacant for a period of 90 days. The County will give priority to properties constructed after January 1, 2000; older dwellings are eligible if they are suitable for renovation and if rehabilitation costs are reasonable. However, all properties must be post-1978 and must not be listed on, or eligible for listing on, the National Register of Historic Places.

Appraisals. The current market appraised value is the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, sub recipient, developer, or individual homebuyer.

Discount. Properties must be purchased at a minimum average discount rate of 1% below the current market-appraised value.

Displacement, relocation, and acquisition. The County will require that all homes be vacant for a minimum period of ninety (90) days prior the purchase offer in an effort to avoid displacement and relocation. Under this activity, the County will not directly acquire or demolish properties.

Environmental Review. The environmental effects of each activity carried out with NSP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. Projects may be required to comply with Laws and Authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

Rehabilitation Standards. Home acquisitions funded with this activity may also receive an assistance to repair or rehabilitate the otherwise blighted conditions. NSP-assisted rehabilitation of a foreclosed-upon home or residential property shall be to the extent necessary to comply with Housing Quality Standards.

Labor Standards: Federal Labor Standards and Davis Bacon wages will not be required by this activity.

Income Restrictions. Homebuyer must be low, moderate, and middle income (LMMI) households whose incomes are at or below 120% of the area median income, adjusted by family size at the time of occupancy, for the County of Riverside.

Terms of Affordability. Homes shall be affordable for a minimum of fifteen (15) years.

Counseling. Each homebuyer must receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. The homebuyer will obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages.

(9) Total Budget: The purchase price assistance and rehabilitation may be funded with NSP funds. The County proposes to allocate **\$9,700,000** of NSP funds to this activity.

(10) Performance Measures: Approximately **190 units** of housing will be acquired and / or rehabilitated by households earning not more than 120% of the area median

(1) Activity Name: **(NSP 4) Acquisition and Rehabilitation of Foreclosed, Vacant Properties, or New Construction of Multi-Family Rental Projects \$12,157,000**

(2) Activity Type:

NSP eligible use:

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

Redevelop demolished or vacant properties

Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties

CDBG eligible activity:

24 CFR 570.201 (a) acquisition and (b) disposition

24 CFR 570.202 rehabilitation and preservation activities for homes and other residential properties

(3) National Objective: Funds will meet the national objective of benefiting very low income persons, as defined by NSP regulations (50% of area median income), by providing rental housing households earning not more than 50% of the area median income.

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: The project end date is July 30, 2013.

(6) Responsible Organization:

Heidi Marshall
Riverside County Economic Development Agency
3403 10th Street, Suite 500
Riverside, CA 92501
Phone: 951.343.5409
Fax: 951.955.6686

(7) Location Description: This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

(8) Activity Description:

The County of Riverside will meet its requirement to set aside at least twenty-five percent (25%) of the NSP allocation to provide affordable housing to the population earning less than fifty percent (50%) area median income. The County will partner with various public and private development organizations to provide for the redevelopment or new construction of affordable multi-family rental projects. The County will use and operate this allocation of NSP funds in a form compatible with the use of HOME funds to the extent that NSP and HOME regulations do not contradict.

All designated NSP units will be reserved and affordable to households earning less than 50% of the area median income. The County will require and monitor a regulatory agreement ensure an affordability period of at least fifty-five (55) years.

NSP funds will be eligible for use in any aspect of development including land acquisition, soft development costs, and hard construction costs.

Target Areas. This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

Blighted structures. Unoccupied residential properties, vacant for a period of 90 days that may be inhabitable and require rehabilitation to improve sustainability and attractiveness of housing and neighborhoods. Vacant or demolished will also be included in the definition of blight.

Eligible Properties. Blighted multi-family residential that have been foreclosed upon, bank-owned or real estate owned (REO) and certified as vacant for a period of 90 days. Vacant or demolished properties will also be eligible to the extent that those properties or developed as affordable, multi-family, rental projects.

Appraisals. The current market appraised value is the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, sub recipient, developer, or individual homebuyer.

Discount. Properties must be purchased at a minimum average discount rate of 1% below the current market-appraised value.

Displacement, relocation, and acquisition. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Act (URA) and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42. All reasonable steps must be taken to minimize the displacement of persons as a result of activity assisted with NSP Funds.

Environmental Review. The environmental effects of each activity carried out with NSP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. Projects may be required to

comply with Laws and Authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

Rehabilitation Standards. Any NSP-assisted rehabilitation of a foreclosed-upon home or residential property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to construct or redevelop properties. Construction or rehabilitation will strategically incorporate modern, green-building, and energy-efficiency improvements thereby providing increased sustainability and attractiveness of housing and neighborhoods.

Labor Standards. Every contract for the rehabilitation of housing that includes 8 or more units assisted with NSP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act. The Davis-Bacon Act requires that all contractors and subcontractors performing on federal contracts (and contractors or subcontractors performing on federally assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area.

Affordable Rents. The County of Riverside will adopt affordable rents as defined by the California Health and Safety Code Section 50053 (b) (2) as the minimal compliance with this standard. The maximum monthly allowances for utilities and services (excluding telephone) will not exceed utility allowance set by the Housing Authority of the County of Riverside.

Income Restrictions. Very low income households whose incomes are at or below 50% of the area median income, adjusted by family size at the time of occupancy, for the County of Riverside.

Terms of Affordability. The length of the affordability period shall be for minimum period of fifty-five (55) years.

(9) Total Budget:

NSP funds will be eligible for use in any aspect of development including land acquisition, soft development costs, and hard construction costs. The County proposes to allocate **\$12,157,000** of NSP funds to this activity.

(10) Performance Measures:

Approximately **120 units** of housing will be produced and made available and affordable to households earning not more than 50% of the area median income.

(1) Activity Name: **(NSP 5) Redevelopment of vacant or demolished properties, or the redevelopment of acquired or demolished residential properties, for eligible public facilities.**

(2) Activity Type:

NSP eligible use:

Acquire abandoned or foreclosed upon blighted residential properties, redevelop, and construct public facilities; redevelop demolished or vacant properties for the construction of public facilities or improvements.

CDBG eligible activity:

24 CFR 570.201 (a) acquisition, (b) disposition, and (c) public facilities

(3) National Objective: Funds will meet the national objective of benefiting low, moderate, and middle-income persons, as defined by NSP regulations (120% of area median income).

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: The projected end date is July 30, 2013

(6) Responsible Organization:

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John Thurman - jthurman@rivcoeda.org
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3403 10th Street, Suite 500
Riverside, CA 92501
Phone: 951.955.8916
Fax: 951.955.6686

(7) Location Description: This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

(8) Activity Description: (a) The County of Riverside will acquire and rehabilitate foreclosed or abandoned single family homes that are blighted. The County will demolish and/or redevelop these properties for eligible public facilities; (b) The County will redevelop demolished or vacant properties for eligible public facilities.

All acquisitions, if applicable, will average at least 1% below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller.

Acquisition/Rehabilitation:

Target Areas. This activity will be limited to all of the designated NSP Target Areas discussed in Section A and mapped in Attachment A.

Blighted structures. Unoccupied homes, vacant for a period of 90 days that may be inhabitable and require rehabilitation to improve sustainability and attractiveness of housing and neighborhoods.

Eligible Properties. (1) Blighted single-family homes that have been foreclosed upon and certified as vacant for a period of 90 days, and certified as non-suitable for rehabilitation. (2) vacant or blighted non-residential properties acquired without NSP funds. All properties must not be listed on, or eligible for listing on, the National Register of Historic Places.

Appraisals. The current market appraised value is the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, sub recipient, developer, or individual homebuyer.

Discount. Properties must be purchased at a minimum average discount rate of 1% below the current market-appraised value.

Displacement, relocation, and acquisition. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Act (URA) and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42. All reasonable steps must be taken to minimize the displacement of persons as a result of activity assisted with NSP Funds.

Environmental Review. The environmental effects of each activity carried out with NSP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. Projects may be required to comply with Laws and Authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

Rehabilitation Standards. Any NSP-assisted rehabilitation or redevelopment of a foreclosed-upon home or residential property, or other vacant or blighted property, shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The rehabilitation will strategically incorporate modern, green-building, and energy-efficiency improvements thereby providing increased sustainability and attractiveness of housing and neighborhoods.

Labor Standards. Every contract for the rehabilitation of housing that includes eight (8) or more units assisted with NSP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the

Davis-Bacon Act. The Davis-Bacon Act requires that all contractors and subcontractors performing on federal contracts (and contractors or subcontractors performing on federally assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits, as determined by the Secretary of Labor, for corresponding classes of laborers and mechanics employed on similar projects in the area.

Resale: Not applicable for NSP-funded public facilities

- (9) Total Budget: At this time, the County has not allocated any NSP funds to this activity. The acquisition, redevelopment, or construction of eligible public facilities may be funded with NSP funds if approved by the County.
- (10) Performance Measures Approximately **one (1) public facility** will be constructed to serve a LMMI area with a HUD Risk Score of seven (7) or higher.

(1) Activity Name: **(NSP 6) Administration \$4,855,786**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP – General Administration and Planning Activities
24 CFR 570.205 and 206.

(3) National Objective: Not applicable to NSP Administrative activities

(4) Projected Start Date: Execution of the NSP Agreement by HUD

(5) Projected End Date: Continued grant administration through June 2013.

(6) Responsible Organization:

County of Riverside Economic Development Agency

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(7) Location Description: N/A

(8) Activity Description: This activity is grant administration which includes, but is not limited to, the following activities: general management, oversight, coordination, public information, reporting, evaluation, and indirect costs.

(9) Total Budget: Ten-percent (10%) of the NSP grant (\$4,855,786) and ten-percent (10%) of Program Income.

(10) Performance Measures: Performance measures not applicable to NSP administrative activities.