

**Grantee: Kern County, CA**

**Grant: B-11-UN-06-0501**

**January 1, 2014 thru March 31, 2014 Performance Report**

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**Grant Number:**

B-11-UN-06-0501

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

Kern County, CA

**Contract End Date:**

03/09/2014

**Review by HUD:**

Reviewed and Approved

**LOCCS Authorized Amount:**

\$5,202,037.00

**Grant Status:**

Active

**QPR Contact:**

David Press

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$5,202,037.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The County proposes to obligate a minimum of \$1,300,509.20 (25%) of its NSP funds to rental housing activities that will provide housing to persons and families whose incomes do not exceed 50% of AMI. Rental housing has been determined to be the most appropriated for these households. The County rental housing activities that will provide this targeting are as follows:

The Eucalyptus Village Rental Housing Activity will provide \$4.5 Million of its NSP3 allocation to Corporation for Better Housing as a developer for construction of affordable multifamily rental housing. The multifamily units will be rented to qualified households with incomes at or below 80% of Area Median Income (AMI), with at least 25% of the NSP3 funded units reserved for qualified households that are below 50% AMI. It is projected that of the 94 multifamily rental units to be constructed with a combination of these NSP3 funds, NSP1 funds previously committed to the project and other financing, 35 units will be constructed with NSP3 funds, and at least 9 of these 35 units will be reserved for qualified households at or below 50% of AMI.

In addition, the GEAHI Rental Housing Activity will obligate \$440,000 for acquisition and rehabilitation of single-family dwellings for rental housing designated for households at or below 50% of AMI. With property values for rental units estimated between \$80,000 and \$125,000, it is projected that a total of 4 rental units may be purchased and rehabilitated with NSP3 funds.

\$262,037 has been allocated to Grantee administration costs.

### How Fund Use Addresses Market Conditions:

The NSP3 Area of Greatest Need was established, in part, due to the successful acquisition of properties during implementation of NSP1, and knowledge of the local housing market. The NSP1 - GEAHI Rental Housing Activity successfully acquired properties in a neighborhood that will also be targeted in NSP3.

NSP1 funds were also utilized in the Fairfax/Eucalyptus Apartments Activity, in which NSP1 funds will be used to acquire vacant residential lots and pay a portion of the subsequent construction costs for 94 multifamily rental units.

Using the NSP3 HUD data and mapping tool, we further find that these specific NSP1 areas serve as cornerstones within the selected NSP3 Area of Greatest Need in metropolitan Bakersfield, bounded roughly by Niles Street, Gargano Street, Fairfax Road, and Edison Highway. The attached NSP3 Planning Data and map describes the area in greater detail.

The selected Area of Greatest Need has a Neighborhood NSP Score of 20, the neediest score possible. With more than 22% of the housing units reported delinquent or in foreclosure, and 105 units already classified as Real Estate Owned July 2009 to June 2010, the area is at great risk of future foreclosures.

The future foreclosure risk is made even greater by the overall jobless rate of 16.2% countywide, as reported by the State Employment Development Department. Furthermore, over 1,700 housing units in the area received mortgages between 2004 and 2007, with a reported 37.73% of those loans considered to be high-cost mortgages. This significant percentage of high-cost mortgages further increases the likelihood of a future increase in foreclosures.

No tiered funding approach is being utilized.



### Ensuring Continued Affordability:

Continued affordability will be enforced through deeds of trust and deed restriction agreements. Affordability periods from the HOME program at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 will be applied as minimum requirements.

### Definition of Blighted Structure:

The County of Kern utilizes the definition of "public nuisance" when defining "blighted structure":  
"Public nuisance" means any use or condition of property or portion thereof, including buildings, structures, mobile homes, commercial coaches, recreational vehicles and motor vehicles located thereon, which is unsafe, injurious to the health, safety, and welfare of the public or the occupants of the property, constitutes an attractive nuisance, attracts, harbors or provides a breeding place for insects or rodents, creates a fire hazard, is indecent or offensive to the senses, or which unlawfully obstructs the passage or use in the customary manner on a navigable lake, river, stream, canal or basin, park, square, street, easement or highway, in the unincorporated area of the county. This definition is in addition to the definitions of "public nuisance" and "nuisance" found in applicable codes and regulations of the state.

### Definition of Affordable Rents:

Home Investment Partnerships Act (HOME) affordability standards found at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 will be applied to properties assisted with NSP funds as minimum requirements.

### Housing Rehabilitation/New Construction Standards:

The County of Kern Planning and Community Development Department has established Property Rehabilitation Standards for NSP3 which are located on the department web page at [www.co.kern.ca.us/cd](http://www.co.kern.ca.us/cd), a portion of which states as follows with regard to energy efficiency.

- All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
- All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
- Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
- Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

### Vicinity Hiring:

Developers shall cause or require to be inserted in full in all contracts and subcontracts for work financed, in whole or in part, with assistance provided through NSP3, the Section 3 clause entitled, "Training, Employment and Business Opportunity", included in this application for reference.

Developers shall, to the greatest extent feasible, seek out and attempt to award contracts to Section 3 business concerns in the designated Area of Greatest Need for the business opportunities generated by NSP3.

### Procedures for Preferences for Affordable Rental Dev.:

All activities other than the Admin Activity are 100% affordable rental. No additional procedures are considered necessary.

### Grantee Contact Information:

NSP3 Program Administrator Contact Information

Name (Last, First+)  
Oviatt, Lorelei H. , Director of Planning and Community Development  
Email Address  
[lorelcio@co.kern.ca.us](mailto:lorelcio@co.kern.ca.us)  
Phone Number  
661-862-8600  
Mailing Address  
2700 "M" Street, Suite 100, Bakersfield, CA 93301-2323

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,202,037.00
Total Budget	\$0.00	\$5,202,037.00
Total Obligated	\$0.00	\$5,202,037.00
Total Funds Drawdown	\$151.19	\$4,678,371.25
Program Funds Drawdown	\$151.19	\$4,678,371.25
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00



<b>Total Funds Expended</b>	\$151.19	\$4,678,371.25
<b>Match Contributed</b>	\$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	\$780,305.55	\$0.00
Limit on Admin/Planning	\$520,203.70	\$178,371.25
Limit on State Admin	\$0.00	\$178,371.25

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$520,203.70	\$262,037.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,300,509.25	\$2,015,000.00

## Overall Progress Narrative:

Administrative activities continued throughout the reporting period. Completion of construction and occupancy information for 01.NSP3.1 was reported in previous periods. No suitable properties were identified during the period for 01.NSP3.2 during the reporting period.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01.NSP3.1, Eucalyptus Village	\$0.00	\$4,500,000.00	\$4,500,000.00
01.NSP3.2, Golden Empire Affordable Housing - Rental Housing	\$0.00	\$440,000.00	\$0.00
NSP3.ADMIN, NSP3 Administration	\$151.19	\$262,037.00	\$178,371.25

## Activities

<b>Grantee Activity Number:</b>	<b>01.NSP3.1.1</b>
<b>Activity Title:</b>	<b>Eucalyptus Village LH25</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

01.NSP3.1

**Project Title:**

Eucalyptus Village

**Projected Start Date:**

03/01/2011

**Projected End Date:**

03/31/2014

**Benefit Type:**

Direct ( HouseHold )

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

County of Kern

**Overall**

**Total Projected Budget from All Sources**

**Jan 1 thru Mar 31, 2014**

N/A

**To Date**

\$1,575,000.00

**Total Budget**

\$0.00

\$1,575,000.00

**Total Obligated**

\$0.00

\$1,575,000.00

**Total Funds Drawdown**

\$0.00

\$1,575,000.00

**Program Funds Drawdown**

\$0.00

\$1,575,000.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$1,575,000.00

County of Kern

\$0.00

\$1,575,000.00

**Match Contributed**

\$0.00

\$0.00

### Activity Description:

Unemployment reported by the State Employment Development Department at 16.2 percent for Kern County in December 2010, combined with continued tight credit for potential home buyers, leads to strong demand for affordable rental housing in the area as opposed to home ownership. The County proposes to provide \$4.5 million of its NSP3 allocation in the form of loans, which may include zero interest deferred payment forgivable loans with terms up to 55 years to Corporation For Better Housing as a developer for the redevelopment of residential property and construction of new multifamily rental units within the County designated "Area of Greatest Need" on an approximately 11 acre site east of Fairfax Road and north of Eucalyptus Drive in metropolitan Bakersfield.

The multifamily units will be rented to qualified households with incomes at or below 80% of Area Median Income (AMI), and at least 25% of the NSP3 funded units will be designated for qualified households that are at or below 50% AMI.

It is projected that of the 94 multifamily rental units to be constructed with a combination of these NSP3 funds, NSP1 funds previously committed to the project and other financing, 35 units will be constructed with NSP3 funds and at least 9 of these 35 units will be reserved for qualified households at or below 50% of AMI. Deed Restriction Agreements will be employed to assure continued affordability of the units.

The Developer will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), as amended, the HUD regulations issued pursuant thereto at 24 CFR part 135, and any applicable rules and orders of HUD issued thereunder. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted Activities covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing. For the purposes of NSP3 those persons are residents of the designated Area of Greatest Need.

Developer shall cause or require to be inserted in full in all contracts and subcontracts for work financed, in whole or in part, with assistance provided through NSP3, the Section 3 clause entitled, "Training, Employment and Business Opportunity",

included in this application for reference.

Developer itself, during its implementation of NSP Activities shall, to the greatest extent feasible, seek out and attempt to award contracts to Section 3 business concerns in the designated Area of Greatest Need for the business opportunities generated by NSP3.

### Location Description:

Approximately 11 acre site east of Fairfax Road and north of Eucalyptus Drive within the County designated NSP3 Area of Greatest Need.

### Activity Progress Narrative:

Completion of construction and occupancy information for 01.NSP3.1.1 was reported in previous periods.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# ELI Households (0-30% AMI)	0	4/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	9/9
# of Multifamily Units	0	9/9

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	9/9	0/0	9/9	100.00
# Renter Households	0	0	0	9/9	0/0	9/9	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	

<b>Grantee Activity Number:</b>	<b>01.NSP3.1.2</b>
<b>Activity Title:</b>	<b>Eucalyptus Village LMMI</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

01.NSP3.1

**Project Title:**

Eucalyptus Village

**Projected Start Date:**

03/01/2011

**Projected End Date:**

03/31/2014

**Benefit Type:**

Direct ( HouseHold )

**Completed Activity Actual End Date:****National Objective:**

NSP Only - LMMI

**Responsible Organization:**

County of Kern

**Overall****Jan 1 thru Mar 31, 2014****To Date****Total Projected Budget from All Sources**

N/A

\$2,925,000.00

**Total Budget**

\$0.00

\$2,925,000.00

**Total Obligated**

\$0.00

\$2,925,000.00

**Total Funds Drawdown**

\$0.00

\$2,925,000.00

**Program Funds Drawdown**

\$0.00

\$2,925,000.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$2,925,000.00

County of Kern

\$0.00

\$2,925,000.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Unemployment reported by the State Employment Development Department at 16.2 percent for Kern County in December 2010, combined with continued tight credit for potential home buyers, leads to strong demand for affordable rental housing in the area as opposed to home ownership. The County proposes to provide \$4.5 million of its NSP3 allocation in the form of loans, which may include zero interest deferred payment forgivable loans with terms up to 55 years to Corporation For Better Housing as a developer for the redevelopment of residential property and construction of new multifamily rental units within the County designated "Area of Greatest Need" on an approximately 11 acre site east of Fairfax Road and north of Eucalyptus Drive in metropolitan Bakersfield.

The multifamily units will be rented to qualified households with incomes at or below 80% of Area Median Income (AMI), and at least 25% of the NSP3 funded units will be designated for qualified households that are at or below 50% AMI.

It is projected that of the 94 multifamily rental units to be constructed with a combination of these NSP3 funds, NSP1 funds previously committed to the project and other financing, 35 units will be constructed with NSP3 funds and at least 9 of these 35 units will be reserved for qualified households at or below 50% of AMI. Deed Restriction Agreements will be employed to assure continued affordability of the units.

The Developer will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), as amended, the HUD regulations issued pursuant thereto at 24 CFR part 135, and any applicable rules and orders of HUD issued thereunder. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted Activities covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing. For the purposes of NSP3 those persons are residents of the designated Area of Greatest Need.

Developer shall cause or require to be inserted in full in all contracts and subcontracts for work financed, in whole or in part, with assistance provided through NSP3, the Section 3 clause entitled, "Training, Employment and Business Opportunity", included in this application for reference.

Developer itself, during its implementation of NSP Activities shall, to the greatest extent feasible, seek out and attempt to award contracts to Section 3 business concerns in the designated Area of Greatest Need for the business opportunities generated by NSP3.

Location Description:

Approximately 11 acre site east of Fairfax Road and north of Eucalyptus Drive within the County designated NSP3 Area of Greatest Need.

Activity Progress Narrative:

Completion of construction and occupancy information for 01.NSP3.1.2 was reported in previous periods.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	19/26
# of Multifamily Units	0	19/26

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	19/0	0/26	19/26	100.00
# Renter Households	0	0	0	19/0	0/26	19/26	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	



<b>Grantee Activity Number:</b>	<b>01.NSP3.2.1</b>
<b>Activity Title:</b>	<b>GEAHI Rental Housing</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

01.NSP3.2

**Project Title:**

Golden Empire Affordable Housing - Rental Housing

**Projected Start Date:**

03/01/2011

**Projected End Date:**

03/31/2014

**Benefit Type:**

Direct ( HouseHold )

**Completed Activity Actual End Date:****National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

County of Kern

**Overall****Jan 1 thru Mar 31, 2014****To Date****Total Projected Budget from All Sources**

N/A

\$440,000.00

**Total Budget**

\$0.00

\$440,000.00

**Total Obligated**

\$0.00

\$440,000.00

**Total Funds Drawdown**

\$0.00

\$0.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$0.00

County of Kern

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The County proposes to provide \$440,000 of its allocation to Golden Empire Affordable Housing, Inc. (GEAHI), a non-profit developer in the form of grants or loans which may be zero interest deferred payment forgivable loans with terms up to 30 years for the purchase and rehabilitation of vacant foreclosed single-family residential properties that are located within the County designated "Area of Greatest Need." The housing units will be rented to qualified households with incomes that do not exceed 50% of AMI. Additionally, households renting these homes may be afforded the opportunity to purchase the homes they are renting under certain circumstances.

Due to high unemployment and tight credit markets, the area has experienced a weak market for owner-occupied homes, but has demonstrated a strong demand for single-family rental properties. Continued affordability will be enforced through Deed Restriction Agreements.

The Developer will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), as amended, the HUD regulations issued pursuant thereto at 24 CFR part 135, and any applicable rules and orders of HUD issued thereunder. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted Activities covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing. For the purposes of NSP3 those persons are residents of the designated Area of Greatest Need.

Developer shall cause or require to be inserted in full in all contracts and subcontracts for work financed, in whole or in part, with assistance provided through NSP3, the Section 3 clause entitled, "Training, Employment and Business Opportunity", included in this application for reference.

Developer itself, during its implementation of NSP Activities shall, to the greatest extent feasible, seek out and attempt to award contracts to Section 3 business concerns in the designated Area of Greatest Need for the business opportunities generated by NSP3.

With property values for rental units estimated between \$80,000 and \$125,000, it is projected that a total of 4 rental units may be purchased and rehabilitated with NSP3 funds.

**Location Description:**

Single-family homes within the County designated NSP3 Area of Greatest Need.

**Activity Progress Narrative:**

The private housing market in the designated NSP3 area continued to be active during the reporting period, and no suitable properties were identified for purchase and rehabilitation under the program.

**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	

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<b>Grantee Activity Number:</b>	<b>NSP3.ADMIN</b>
<b>Activity Title:</b>	<b>NSP3 General Program Administration</b>

**Activity Category:**

Administration

**Project Number:**

NSP3.ADMIN

**Projected Start Date:**

10/19/2010

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

NSP3 Administration

**Projected End Date:**

03/31/2014

**Completed Activity Actual End Date:**
**Responsible Organization:**

County of Kern

**Overall**
**Total Projected Budget from All Sources**
**Jan 1 thru Mar 31, 2014**

N/A

**To Date**

\$262,037.00

**Total Budget**

\$0.00

\$262,037.00

**Total Obligated**

\$0.00

\$262,037.00

**Total Funds Drawdown**

\$151.19

\$178,371.25

**Program Funds Drawdown**

\$151.19

\$178,371.25

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$151.19

\$178,371.25

County of Kern

\$151.19

\$178,371.25

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Grantee administration of the NSP3 grant.

**Location Description:**

County of Kern, Designated Areas of Greatest Need

**Activity Progress Narrative:**

Administrative activities continued through the reporting period.

**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	

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