

# Grantee: Moreno Valley, CA

## Grant: B-08-MN-06-0513

October 1, 2021 thru December 31, 2021

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<b>Grant Number:</b> B-08-MN-06-0513	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Moreno Valley, CA	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$11,390,116.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$11,390,116.00	<b>Estimated PI/RL Funds:</b> \$4,615,482.26	
<b>Total Budget:</b> \$16,005,598.26		

### Disasters:

#### Declaration Number

NSP

### Narratives

#### Areas of Greatest Need:

HUD: Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

City Response: The City of Moreno Valley is a 51-

square mile city located in western Riverside County, California. In recent years, Moreno Valley has consistently ranked as one of the fastest growing cities in the nation. This significant growth rate, combined with skyrocketing home prices and questionable lending practices, has placed Moreno Valley near the top of a less desirable ranking - it is one of the cities hardest hit by foreclosures.

In August 2007, CNN Money.com (per Realtytrac.com) reported the combined Riverside\San Bernardino metropolitan region of California to be the fourth most impacted area by foreclosures in the U.S., with 1 foreclosure default filing for every 33 households. One year later, in August 2008, Realtytrac.com reported that Riverside County alone had 11,485 foreclosure filings, or 1 in every 63 housing units in the foreclosure process. In the same month, Moreno Valley was reported to have 6,470 units in the foreclosure process. To further illustrate the possible severity of the problem, Moreno Valley's 2008-2013 Consolidated Plan reports 6,624 single-family housing units being built in the 10 years between 1990 and March 2000, 154 units shy of the total housing units in the foreclosure process in the city today.

The Department of Housing and Urban Development HUD, via the 2008 HERA Act, has recognized the seriousness of Moreno Valley's foreclosure problem and allocated \$11,390,116 to the City for use in neighborhood stabilizing activities. In response to the problem and with HUD's allocation, the City will focus its efforts in the areas of greatest need. In order to identify these areas, the City analyzed various information: 1. Staff applied HUD's foreclosure and abandonment risk scores to a map of the City's Census tracts and Block Groups (see t 1).

The HUD data was provided to all allocation cities, states, and counties, via [www.huduser.gov](http://www.huduser.gov). The foreclosure and abandonment risk scores themselves were calculated by HUD, through evaluation of the following data: 1. Area unemployment rate - Moreno Valley's rate is estimated to be 11.1% (September 2008). 2. Average housing sales price decline since

#### Distribution and Uses of Funds:

HUD: Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. City Response: The Housing and Economic Recovery Act of 2008 allows the following categories of eligible uses.

1. Establishment of financing mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income homebuyers.
2. Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop, such homes and properties.
3. Establishment of land banks for homes that have been foreclosed upon.
4. Demolishment of blighted structures.
5. Redevelopment of demolished or vacant properties

Based on these eligible uses, the City of Moreno Valley has identified activities that would best address the needs of the community while meeting the requirements of Section 2301(c)(2). The City will prioritize the use of the NSP by creating programs that offer assistance in neighborhoods with a concentration of existing foreclosures (based on DataQuick records) and at risk of high future foreclosure



**Definitions and Descriptions:**

HUD: Define "blighted structure" in context of state or local law. City Response: The legislative definition of blight is found in California Health and Safety Code Section s33030 and 33031. In summation, the definition describes two basic areas of blight, physical and economic. Subdivision (a) of section 33031 describes the physical conditions that cause blight as follows:  
o "Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.  
o Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.  
o Adjacent or nearby uses that are incompatible with each other and that prevent the economic development of those parcels or other portions of the project area.  
The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership."  
Subdivision (b) of section 33031 describes the economic conditions that cause blight as:  
o "Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Art

**Low Income Targeting:**

HUD: Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income.

City Response:

HUD has allocated to Moreno Valley a total of \$11,390,116 in NSP funds. In compliance with HERA requirements, a minimum of 25% or \$2,847,529 of that allocation must be used toward housing for individuals and families whose incomes do not exceed 50% of area median income. The City will ensure that at least this amount is utilized to house the target population, through the Acquisition/Rehabilitation/Rental of Multi-family units.

**Acquisition and Relocation:**

HUD: Indicate whether grantee intends to demolish or convert any low- and moderate- income dwelling units (i.e. 80% of area median income).

City Response:

NSP efforts will be focused on existing housing units that are currently vacant. Therefore, the City does not expect that relocation of any low and moderate income households will be necessary. N

o specific properties that would receive NSP resources have been identified at this time. It is therefore unknown whether demolition or conversion of low and moderate income dwelling units will occur. If NSP eligible activities result in demolition or conversion of low and moderate-income units, then the required information on the number of converted or demolished units and number of affordable units produced by activity and income level will be made available and property procedures, pursuant to the Uniform Relocation and Real Property Acquisition Policies Act (URA) of 1970, Section 104 (d) of Housing and Community Development Act of 1974 as amended (Section 104(d)), HUD Handbook 1378 and the acquisition section(s) of the HERA and Recovery Acts.

**Public Comment:**

HUD: Provide a summary of public comments received to the proposed NSP Substantial Amendment.

City Response:

The City published a Notice of Public Hearing and a Notice of 2008/2009 Action Plan Amendment in the Press-Enterprise (a local publication) on November 6, 2008, initiating the 15 day Public Review period. The Notice of Public Hearing was also uploaded to the City's website at www.moreno-valley.ca.us.gov on the same day. An option for the public to e-mail comments to the City was provided on the web page.

During the review period, approximately 17 groups/individuals contacted the City about the program. This group ranged from lenders, local realtors, contractors, residential developers, and non-profits interested in partnering with the City to administer NSP activities, to agencies offering consultant services to develop and/or implement the plan. The City also received 3-4 calls from residents with general inquiries about the NSP program.



On November 25, 2008, the Public Hearing was conducted by the Moreno Valley City Council. Two members of the public spoke, both in support of the plan. The first stated that in addition to the City's NSP efforts she'd like to see an "additional emphasis placed on keeping homes from going into foreclosure." The other encouraged the Council to pass the plan, calling it a "smart approach." On that evening, the Moreno Valley City Council approved the NSP Substantial Amendment by a 4-0 vote (with one Council member absent).

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$16,003,012.07
<b>Total Budget</b>	\$0.00	\$16,003,012.07
<b>Total Obligated</b>	\$0.00	\$16,003,012.07
<b>Total Funds Drawdown</b>	\$708,682.40	\$14,813,885.94
<b>Program Funds Drawdown</b>	\$708,682.40	\$10,198,403.68
<b>Program Income Drawdown</b>	\$0.00	\$4,615,482.26
<b>Program Income Received</b>	\$0.00	\$4,615,482.26
<b>Total Funds Expended</b>	\$0.00	\$12,576,360.54
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

### Funds Expended

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
City of Moreno Valley	\$ 0.00	\$ 1,537,253.81
City of Moreno Valley	\$ 0.00	\$ 0.00
City of Moreno Valley	\$ 0.00	\$ 0.00
City of Moreno Valley, Economic Development Department	\$ 0.00	\$ 10,335,300.85
Habitat for Humanity, Riverside	\$ 0.00	\$ 703,805.88

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$.00	\$.00
<b>Overall Benefit Amount</b>	\$14,460,929.15	\$.00	\$.00
<b>Limit on Public Services</b>	\$1,708,517.40	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$1,139,011.60	\$1,543,222.87	\$1,543,222.87
<b>Limit on Admin</b>	\$.00	\$1,543,222.87	\$1,543,222.87
<b>Most Impacted and Distressed</b>	\$.00	\$.00	\$.00
<b>Progress towards LH25 Requirement</b>	\$4,001,399.57		\$7,402,824.75

## Overall Progress Narrative:

Significant progress continues to be made with the Courtyards at Cottonwood project. Construction is underway and the developer is currently reaching the necessary milestones/benchmarks to meet the expected completion period for this phase of the project.

## Project Summary

<b>Project #, Project Title</b>	<b>This Report Program Funds Drawdown</b>	<b>To Date Project Funds Budgeted</b>	<b>Program Funds Drawdown</b>
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08-09-Admin, Administration	\$0.00	\$1,543,222.87	\$208,346.38
08-09-ARR-MFR, Acquisition, Rehabilitation, Rental	\$0.00	\$4,467,462.53	\$3,442,626.40
08-09-ARR-SFR, Acquisition, Rehabilitation, Resale	\$0.00	\$5,867,838.32	\$4,079,159.09
08-09-NSP-HAP, Homebuyers Assistance Program	\$0.00	\$0.00	\$0.00
12-13-Redevelopment-Habitat, Redevelopment	\$0.00	\$703,805.88	\$236,715.47
20-21-REDEV-COTTONWOOD, Courtyards at Cottonwood	\$708,682.40	\$3,420,682.47	\$2,231,556.34
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$0.00	\$0.00	\$0.00

## Activities

**Project # / 08-09-Admin / Administration**



## Grantee Activity Number: 08-09-ADM-01

### Activity Title: Administration

**Activity Type:**

Administration

**Project Number:**

08-09-Admin

**Projected Start Date:**

01/14/2009

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

09/29/2022

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

City of Moreno Valley

**Overall****Total Projected Budget from All Sources****Oct 1 thru Dec 31, 2021 To Date**

\$0.00 \$404,211.87

**Total Budget**

\$0.00 \$404,211.87

**Total Obligated**

\$0.00 \$1,543,222.87

**Total Funds Drawdown**

\$0.00 \$1,543,222.87

**Program Funds Drawdown**

\$0.00 \$208,346.38

**Program Income Drawdown**

\$0.00 \$1,334,876.49

**Program Income Received**

\$0.00 \$0.00

**Total Funds Expended**

\$0.00 \$1,537,253.81

City of Moreno Valley

\$0.00 \$1,537,253.81

**Most Impacted and Distressed Expended**

\$0.00 \$0.00

**Activity Description:**

Administration

**Location Description:****Activity Progress Narrative:**

Administrative cap is currently calculating incorrectly. An inquiry was previously submitted via aq in an attempt to resolve the issue through Technical Assistance. After walking through the numbers with the Technical Advisor, Rudy Munoz, the same conclusion was drawn. There is an existing system error that is prompting flags which indicate that the administrative cap has been exceeded, however expenditures are approximately \$60K below the threshold. This issue was reported during previous quarters and has yet to be resolved.

**Accomplishments Performance Measures****No Accomplishments Performance Measures**

## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources

No Other Funding Sources Found

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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Activity Supporting Documents: None

**Project # / 20-21-REDEV-COTTONWOOD / Courtyards at Cottonwood**

# Grantee Activity Number: 20-21-REDEV-COTTONWOOD

## Activity Title: Courtyards at Cottonwood

**Activity Type:**

Construction of new housing

**Project Number:**

20-21-REDEV-COTTONWOOD

**Projected Start Date:**

07/01/2020

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Courtyards at Cottonwood

**Projected End Date:**

01/01/2022

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Moreno Valley, Economic Development

Overall	Oct 1 thru Dec 31, 2021	To Date
<b>Total Projected Budget from All Sources</b>	\$0.00	\$3,420,682.47
<b>Total Budget</b>	\$0.00	\$3,420,682.47
<b>Total Obligated</b>	\$0.00	\$3,420,682.47
<b>Total Funds Drawdown</b>	\$708,682.40	\$2,231,556.34
<b>Program Funds Drawdown</b>	\$708,682.40	\$2,231,556.34
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$0.00
City of Moreno Valley, Economic Development	\$0.00	\$0.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00

**Activity Description:**

This activity is for the new construction of a new gated, affordable residential development on an 8.10-acre site (6.78 net acres) located at the northeast corner of Cottonwood Avenue and Indian Street in the City of Moreno Valley. The proposed development consists of eighty (80) plus 1 manager’s affordable units within two (2) two-story, 30-unit family buildings with a total of eight (8) 1-bedroom, twenty-four (24) 2-bedroom and twenty-eight (28) 3-bedroom units. The proposed development also includes a one-story, 20-unit senior building with sixteen (16) 1-bedroom and four (4) 2-bedroom units. The proposed project will also include a 4,840 square-foot Community Building with management, leasing, services and maintenance offices, a maintenance garage, computer lab, laundry room and a full kitchen. Site amenities are also proposed to include a community pool, a tot lot, basketball court and a senior vita course. A manager’s unit will be located on the second floor of the community building. The total project budget is approved at \$4,500,000 and funded by the following:

NSP1: \$3,500,000 (\$3,420,682.47 in PF and \$79,317.53 in PI)

HOME: \$1,000,000

Moreno Valley Housing Authority: \$1,630,000 (value of former RDA land).

The NSP funds will be used to fund a portion of hard related to the development and construction of the project.

**Location Description:**

This activity will be implemented within the pre-established Target Neighborhoods (see Attachment 3) located in CDBG and/or RDA areas, while also in areas categorized as a nine (9) or ten (10) by HUD’s Foreclosure and Abandonment Risk Scores. Six neighborhoods are originally included: Postal Avenue, Atwood Avenue, Hildegard/Adrienne/Allies Streets, Eastgate, and Sheila Street.



### Activity Progress Narrative:

The developer for the Courtyards at Cottonwood project continues to make significant progress utilizing NSP1 funds to develop affordable housing available to Moreno Valley residents. The project remains on track to complete construction by mid-2022. The City excited to begin preparing for the occupancy phase of the project which is approaching later this year.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/16
# of Multifamily Units	0	0/16

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	0/16	0
# Renter	0	0	0	0/0	0/0	0/16	0

### Activity Locations

No Activity Locations found.

### Other Funding Sources

	Amount
NSP	\$1,000,000.00
Total Other Funding Sources	\$0.00

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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Activity Supporting Documents: None

