

Grantee: Los Angeles, CA

Grant: B-08-MN-06-0512

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number: B-08-MN-06-0512	Obligation Date: 03/06/2009	Award Date: 02/27/2009
Grantee Name: Los Angeles, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$32,860,870.00	Grant Status: Active	QPR Contact: George Guillen
LOCCS Authorized Amount: \$32,860,870.00	Estimated PI/RL Funds: \$11,578,020.93	
Total Budget: \$44,438,890.93		

Disasters:

Declaration Number
NSP

Narratives

Areas of Greatest Need:

The Neighborhood Stabilization Program provides emergency assistance to state and local governments to acquire and redevelop foreclosed residential properties that might create blight within their communities. California was second only to Florida in the number of foreclosed homes from January 2007 to June 2008. During that period, nearly 13,000 multi-family and single-family housing units were foreclosed upon in the City of Los Angeles. NSP guidelines required applicants to identify areas of greatest need that: 1) have the greatest percentage of home foreclosures, 2) have the highest percentage of subprime loans, and 3) are likely to face a significant rise in foreclosures. HUD also allowed local jurisdictions to consider other need categories in conjunction with HUD's priorities. Analysis by the Los Angeles Housing and Community Investment Department (HCIDLA) showed that approximately 52% of the foreclosed residences in the City of Los Angeles are in census tracts where the HUD Risk Factors are ranked seven and above on a scale from one to ten, where ten is the highest risk score. As of December 2008, there are 5,468 foreclosed homes (single family and multifamily) within those census tracts, which represent 7,293 units. Of these, 4,411 are single-family homes or condominiums and 2,882 are units in multi-unit properties.

Distribution and and Uses of Funds:

As required by HUD, NSP funds are being used for the acquisition and rehabilitation of foreclosed upon properties in identified target areas of greatest need. A key goal of the City's program is to prevent the downward spiral of property abandonment and crime in neighborhoods that can result when vacant, boarded-up properties sit without attention for weeks or months at a time. Such conditions can have an adverse effect on public safety and property values. The NSP target areas are in those parts of the City where the private sector has not been as effective in moving homes from foreclosure to new owners, which have risk factors ranked seven and above, and are neighborhoods in which a majority of households earn at or below 120% of the area median income (AMI). In addition, the City's 37 active gang injunction areas all overlap with the NSP target areas, as do the twelve Gang Reduction and Youth Development Zones, neighborhoods where rates of violent gang-related crime are at least 400% higher than elsewhere in the City. Within the identified areas of greatest need, NSP funds are being used to acquire and rehabilitate foreclosed upon properties to be occupied by owner and tenant households having incomes at or below 120% AMI. At least 25% of NSP funds are assisting households earning at or below 50% AMI.

The program is comprised of the following activities:

- Homeownership Assistance (which includes moderate rehabilitation)
- Homeownership Assistance (which includes moderate rehabilitation) for Households at or below 50% AMI
- Acquisition and Rehabilitation of Rental Units
- Acquisition and Rehabilitation of Rental Units for Households at or below 50% AMI (25% set-aside)
- Program Administration

Definitions and Descriptions:

NSP requires that all households assisted with NSP funds have income at or below 120% of area median income (AMI) and a minimum of twenty-five percent (25%) of NSP funds be used to assist households having income at or below 50% AMI. HUD has published NSP income limits for households having income at or below 50% AMI and 120% AMI, adjusted for household size. For the purpose of the City of Los Angeles' NSP program, the term "affordable rent" shall be based upon 30% of the monthly income for a household eligible to reside in an NSP restricted unit less the utility allowance established by the Housing Authority of the City of Los Angeles (HACLA) for utilities paid by the tenant. Homeownership Properties The City will require a 30-year affordability period for NSP properties sold to homebuyers as their primary residence. To ensure continued affordability of these homes, the City will adopt HUD's recapture provision contained in the HOME Investment Partnership Program under 24 CFR 92.254. Mortgage assistance loans provided to homebuyers will bear no interest and will be deferred repayment, due upon sale, title transfer, first mortgage repayment, or in 30 years as a balloon payment. The City will place an equity sharing lien on the property that requires a portion of the appreciation in the value of the property and any equity gain resulting from a below market value purchase of the property be shared with the City upon resale of the property. This will help to ensure that properties purchased below market value are not subsequently resold or "flipped" for an excessive profit. Additionally, the City may permit the placement of resale restriction covenants on some homeowner properties to ensure continued affordability for a period of at least 30 years. Such covenants will restrict occupancy to households having income below 120% AMI and establish an affordable sales price. An assumable subordinate instrument will be placed on the property to ensure that if the home is resold, after the affordability period has ended, to a household whose income exceeds 120% AMI, any "excess profits" from the market sale will be returned to the City as program income. The City will require a minimum affordability period consistent with HOME requirements up to a maximum of 55 years for NSP properties occupied as affordable rental housing. To ensure continued affordability, owners of NSP rental properties will be required to enter into a Regulatory Agreement and have affordability covenants that run with the land for the duration of the affordability period that restrict the rent and income level of tenants that reside in the property. Affordable rents will be set in accordance with the HUD NSP requirements and the definition of "affordable rents" contained in this NSP Substantial Amendment. The City of Los Angeles will apply a health and safety rehabilitation standard to NSP-assisted residential properties. Each NSP property will be inspected for health and safety deficiencies. Rehabilitation funding will be provided to repair code deficiencies in major building systems (e.g. roofing, electrical, plumbing, structural, etc.), remediate lead-based paint and repair those surfaces, repair damaged interiors, and provide exterior improvements if needed to support neighborhood stabilization and revitalization efforts. Illegal structures will be removed and the

Definitions and Descriptions:

omes restored to their original conditions. Garages illegally converted to other uses will be restored to garages. Some properties located in special priority target areas may be "right-sized" which means that two bedroom, one bath homes will be converted into three bedroom, two bath homes to better accommodate the needs of larger households that reside in the neighborhood. These properties will be brought up to code and have interior and exterior improvements if needed. D

Low Income Targeting:

The City of Los Angeles will appropriate a minimum of \$8,250,000 of NSP funds to purchase and rehabilitate abandoned or foreclosed upon residential properties for households whose incomes do not exceed 50% AMI. These funds will be expended in the areas of greatest need for the purchase and rehabilitation of foreclosed upon single family and multifamily rental properties. The majority of these properties will be owned and managed by affordable housing providers.

Further information can be found in the HUD-approved hard copy version of the City's Substantial Amendment.

Acquisition and Relocation:

In case a residential property is considered for demolition, all of the relocation requirements of the URA and 104(b) (whichever is most applicable) will be followed. In addition, NSP funds may be used to provide temporary relocation to households, if necessary, when rehabilitating occupied multifamily properties.

Further information can be found in the HUD-approved hard copy version of the City's Substantial Amendment.

Public Comment:

A public notice and the draft Substantial Amendment have been continuously posted on the websites of the City of Los Angeles and the HCIDLA since November 5, 2008. In addition, a notice was published in a local paper on November 11, 2008. The NSP was on the public meeting agenda of the Los Angeles City Council and was approved after public comment and discussion on Nov 21, 2008.

In early 2008, the Los Angeles Housing Department established a working group of housing experts, local academics and the Federal Reserve to acquire and analyze data to understand the foreclosure crisis in Los Angeles. Upon passage of HERA and the availability of the NSP funds, HCIDLA began hosting meetings with several community organizations and housing advocates to receive input and feedback for preparation of the NSP Substantial Amendment.

Further information can be found in the HUD-approved hard copy version of the City's Substantial Amendment.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$42,690,183.66
Total Budget	\$161,700.00	\$42,690,183.66
Total Obligated	\$161,700.00	\$42,690,183.66
Total Funds Drawdown	\$50,546.24	\$42,416,154.62
Program Funds Drawdown	\$0.00	\$32,071,844.59
Program Income Drawdown	\$50,546.24	\$10,344,310.03
Program Income Received	\$0.00	\$11,578,020.93
Total Funds Expended	\$50,546.24	\$41,350,224.32

Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$4,929,130.50	\$0.00
Limit on Admin/Planning	\$3,286,087.00	\$4,227,000.09
Limit on Admin	\$0.00	\$4,227,000.09
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$11,109,722.73	\$15,596,443.00

Overall Progress Narrative:

City of Los Angeles continued to administer its NSP Program during this period. The majority of NSP1 activities are nearing completion. HCIDLA management is determining how to proceed with the remaining grant funds and current program income, so as to start preparing for the closeout phase. We are currently working with a TA provider to assist us in clearing up and reconciling data and remaining flags.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, NSP Homeownership	\$0.00	\$21,032,092.24	\$16,674,085.44
002, NSP Rental Housing	\$0.00	\$15,028,179.59	\$11,331,026.79
003, Program Administration	\$0.00	\$4,259,858.52	\$2,730,111.96
004, NSP Redevelopment	\$0.00	\$2,230,645.00	\$1,336,620.40

Activities

Project # / 001 / NSP Homeownership

Grantee Activity Number: 03 Homeownership Assistance - RNLA
Activity Title: Homeownership Assistance - RNLA

Activitiy Category: Rehabilitation/reconstruction of residential structures	Activity Status: Under Way
Project Number: 001	Project Title: NSP Homeownership
Projected Start Date: 03/31/2009	Projected End Date: 02/27/2019
Benefit Type: Direct (HouseHold)	Completed Activity Actual End Date:
National Objective: NSP Only - LMMI	Responsible Organization: Restore Neighborhoods LA, Inc. (RNLA)

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$18,137,732.19
Total Budget	\$161,700.00	\$18,137,732.19
Total Obligated	\$161,700.00	\$18,137,732.19
Total Funds Drawdown	\$33,444.41	\$18,009,476.60
Program Funds Drawdown	\$0.00	\$13,799,643.33
Program Income Drawdown	\$33,444.41	\$4,209,833.27
Program Income Received	\$0.00	\$8,543,421.69
Total Funds Expended	\$33,444.41	\$17,930,364.61
Restore Neighborhoods L.A., Inc. (RNLA)	\$33,444.41	\$33,444.41
Restore Neighborhoods LA, Inc. (RNLA)	\$0.00	\$17,896,920.20
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The NSP Homeownership Assistance Project features two components/activities. The first component is the Homeownership Walk-In activity. This component will be carried out by a non-profit property holding and development company, Restore Neighborhoods L.A., Inc. (RNLA), whose primary task is the purchase, rehabilitation and resale of foreclosed or abandoned properties in the designated target areas. RNLA will purchase properties in bulk from lenders and loan servicers, with negotiated discounts of at least 15% of current market value, for ultimate resale to qualified owners. It is anticipated that RNLA will purchase single-family properties that require more extensive rehabilitation than those properties purchased by homebuyers participating in the first component of the NSP Homeownership Assistance Program since many properties will have been on the market for more than 90 days. Once the rehabilitation is completed under the oversight of RNLA, homes will be sold to qualified homebuyers at a price no greater than the total cost of acquisition, maintenance, rehabilitation and other cost items allowed by the NSP. RNLA is a Community-Based Development Organization (CBDO) Subrecipient of the Los Angeles Housing Department.

Location Description:

The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. Restore Neighborhoods LA, Inc. (RNLA) is located at 315 W. Ninth Street, Suite 501, Los Angeles, CA 90015.

Activity Progress Narrative:

The transactions for activity #03 during this reporting period were reimbursement payments to HCIDLA's sub-recipient RNLA for previous NSP Program-related work.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	58/100
#Energy Star Replacement	0	623/1000
#Additional Attic/Roof	0	57/80
#High efficiency heating plants	0	58/100
#Efficient AC added/replaced	0	58/100
#Replaced thermostats	0	58/100
#Replaced hot water heaters	0	54/100
#Light Fixtures (indoors)	0	769/1122
#Light fixtures (outdoors)	0	236/400
#Refrigerators replaced	0	58/100
#Clothes washers replaced	0	58/80
#Dishwashers replaced	0	58/100
#Low flow toilets	0	97/180
#Low flow showerheads	0	95/180
#Units with bus/rail access	0	58/100

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	58/100
# of Singlefamily Units	0	58/100

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	38/50	58/100	65.52
# Owner Households	0	0	0	0/0	38/50	58/100	65.52

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	

Project # / 002 / NSP Rental Housing

Grantee Activity Number: 04 Rental Housing
Activity Title: Acq. and Rehab. of Rental Housing

Activitiy Category:
Rehabilitation/reconstruction of residential structures

Project Number:
002

Projected Start Date:
04/01/2009

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Under Way

Project Title:
NSP Rental Housing

Projected End Date:
02/28/2019

Completed Activity Actual End Date:

Responsible Organization:
Restore Neighborhoods LA, Inc. (RNLA)

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$596,420.39
Total Budget	\$0.00	\$596,420.39
Total Obligated	\$0.00	\$596,420.39
Total Funds Drawdown	\$0.00	\$596,420.39
Program Funds Drawdown	\$0.00	\$567,087.89
Program Income Drawdown	\$0.00	\$29,332.50
Program Income Received	\$0.00	\$176,113.77
Total Funds Expended	\$0.00	\$596,420.39
Restore Neighborhoods LA, Inc. (RNLA)	\$0.00	\$596,420.39
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The NSP Rental Housing Activity will be implemented by Restore Neighborhoods LA, Inc. (RNLA). RNLA will purchase rental properties and offer them through a competitive process for rehabilitation and ownership to qualified entities with demonstrated capacity and experience to maintain the properties as affordable rental housing. If necessary, RNLA will rehabilitate the properties and then offer them for sale. RNLA will be responsible for property management and all other activities that need to be completed in order to resell properties as affordable housing. Many properties may be covered by the City's Rent Stabilization Ordinance (RSO) and it is expected that many of these properties will be occupied. The RSO does not allow evictions due to foreclosure, and HCIDLA does not intend to displace any tenants. Therefore, tenant incomes will most likely cover a wide range up to 120% AMI. Due to the location of HCIDLA's target areas, it would be extremely unlikely that tenant incomes would be above 120% AMI.

Location Description:

The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. Restore Neighborhoods LA, Inc. (RNLA) is located at 315 W. Ninth Street, Suite 501, Los Angeles, CA 90015.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		4/6	
# of Singlefamily Units	0		4/6	

Beneficiaries Performance Measures

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

Project # / 003 / Program Administration

Grantee Activity Number:	01 Program Administration
Activity Title:	Program Administration

Activitiy Category:	Activity Status:
Administration	Under Way
Project Number:	Project Title:
003	Program Administration
Projected Start Date:	Projected End Date:
02/27/2009	02/28/2019
Benefit Type:	Completed Activity Actual End Date:
()	
National Objective:	Responsible Organization:
N/A	Los Angeles Housing and Community Investment

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$4,084,966.87
Total Budget	\$0.00	\$4,084,966.87
Total Obligated	\$0.00	\$4,084,966.87
Total Funds Drawdown	\$17,101.83	\$4,052,108.44
Program Funds Drawdown	\$0.00	\$2,730,003.82
Program Income Drawdown	\$17,101.83	\$1,322,104.62

Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$17,101.83	\$4,167,615.34
Los Angeles Housing and Community Investment	\$17,101.83	\$4,167,615.34
Los Angeles Housing Department	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The proposed administrative budget for the NSP program includes funds for LAHD staff position(s), equipment, contractual payments for professional and technical services, and may also include administrative budget(s) of subrecipient(s).

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 407, Los Angeles, CA 90015.

Activity Progress Narrative:

The transactions for activity #01 during this reporting period were reimbursement payments to HCIDLA's sub-recipient RNLA for previous NSP Program-related expenses.

Accomplishments Performance Measures

No Accomplishments Performance Measures

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	

Project # / 004 / NSP Redevelopment

Grantee Activity Number:	83 Vacant Lot - 920 W. 81st St.
Activity Title:	Vacant Lot - 920 W. 81st St.

<div> <div>Activitiy Category:</div> <div>Land Banking - Disposition (NSP Only)</div> </div> <div> <div>Project Number:</div> <div>004</div> </div> <div> <div>Projected Start Date:</div> <div>01/19/2012</div> </div> <div> <div>Benefit Type:</div> <div>Area ()</div> </div>	<div> <div>Activity Status:</div> <div>Under Way</div> </div> <div> <div>Project Title:</div> <div>NSP Redevelopment</div> </div> <div> <div>Projected End Date:</div> <div>02/27/2019</div> </div> <div> <div>Completed Activity Actual End Date:</div> <div></div> </div>
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National Objective:
NSP Only - LMMI

Responsible Organization:
Restore Neighborhoods LA, Inc. (RNLA)

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$264,405.40
Total Budget	\$0.00	\$264,405.40
Total Obligated	\$0.00	\$264,405.40
Total Funds Drawdown	\$0.00	\$255,398.82
Program Funds Drawdown	\$0.00	\$6,395.37
Program Income Drawdown	\$0.00	\$249,003.45
Program Income Received	\$0.00	\$355,000.00
Total Funds Expended	\$0.00	\$230,106.16
Restore Neighborhoods LA, Inc. (RNLA)	\$0.00	\$230,106.16
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This vacant lot will be acquired by the non-profit property holding and development company, Restore Neighborhoods LA, Inc. (RNLA). RNLA is a subrecipient of the City of Los Angeles NSP funds, whose primary task is the purchase, rehabilitation and resale of foreclosed or abandoned properties in the designated target areas. Under this activity, RNLA will purchase the vacant lot from Enterprise Home Ownership Partners and build new construction of affordable homeownership or rental units on the property.

Location Description:

920 West 81st Street, Los Angeles, CA 90044

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1

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	
