

Grantee: New York City, NY

Grant: B-08-MN-36-0103

October 1, 2009 thru December 31, 2009 Performance Report

Grant Number:

B-08-MN-36-0103

Obligation Date:**Grantee Name:**

New York City, NY

Award Date:**Grant Amount:**

\$24,257,740.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Plan Description:

The New York City Neighborhood Stabilization Home Ownership Program will use NSP funds to acquire and rehabilitate foreclosed and abandoned residential properties. The program may also establish financing mechanisms for the purchase and redevelopment of foreclosed and abandoned residential properties. These types of activities are CDBG eligible under 570.201(a) (b) and (d) and 570.202 for NSP eligible use a, b, d, and e. All units assisted will be occupied by households meeting the definitions of low, moderate and middle income as defined in the Housing and Economic Recovery Act of 2008. Funds will be available for households with incomes up to 120% of median income adjusted for household size, currently \$92,160 for a family of 4. The activities funded through NSP will be targeted to areas exhibiting the greatest needs. The areas targeted for assistance are primarily lower income communities experiencing a high number of foreclosed and abandoned properties and based on HUD data are ranked as areas with high foreclosure risk scores and highest percentage of high cost loan rates associated with sub prime lending. The communities of Jamaica, Bellerose/Rosedale, North Shore, Howard Beach/South Ozone Park, Kew Gardens/Woodhaven, Rockaways, South Shore, Bedford Stuyvesant, Jackson Heights, Williamsbridge/Baychester, East New York/Starrett City, Flatlands/Canarsie, Mid-Island, East Flatbush, Hillcrest/Fresh Meadows, Flushing/Whitestone, Soundview/Parkchester, Middle Village/Ridegwood, Bushwick, and Morrisania/East Tremont have been designated as areas of greatest need.

Recovery Needs:

This approach will have several benefits. By targeting funds to specific communities, there will be a greater impact on the neighborhood and funds will be directed to communities where it is needed the most. Another expected benefit is that housing that is safe and decent will be made available to low, moderate and middle income households. To address the housing conditions, New York City will work with a non-profit and for profit housing developers to acquire vacant and/or foreclosed 1-4 and multifamily properties, rehabilitate the homes/buildings and sell or rent the homes to eligible low, moderate and middle income households.

Overall**This Report Period****To Date****Total Projected Budget from All Sources**

N/A

\$24,257,740.00

Total CDBG Program Funds Budgeted

N/A

\$24,257,740.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$215,234.00

\$215,234.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	46.154%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$3,638,661.00	\$0.00
Limit on Admin/Planning	\$2,425,774.00	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

New York City Department of Housing Preservation and Development began organizing its NSP activities in March, 2009. Progress continues to be made in setting up the legal, financial and programmatic structures for implementing these activities. A full time Project Manager was assigned to the NSP program beginning in April, 2009 and continues the work of the staff that crafted the NSP application and Consolidated Plan amendment. Additionally, legal, architectural and other staff were identified to assist in implementation of NSP activities beginning in March. The following are the substantial accomplishments completed by NYC during the second reporting period.

- Activity: NYC purchased one multifamily building in conformance of the goals of the Owner Abandoned Multifamily Strategy as laid out in the action plan. NSP funds were used on 1514 Dekalb Avenue, Brooklyn, NY. The grant funds facilitated the purchase of this previously distressed and foreclosed property to be purchased by the court appointed administrator that had been previously maintaining the building and working with tenants. Purchasing this property out of foreclosure will provide long term stability for the 6 households residing in this property.

- Staffing: One full time Program Manager was assigned to focus full time on NSP activities and coordinate supporting staff. The supporting staff includes: 2 architects/engineers, 2 environmental review personnel, 2 attorneys and 1 budget expert.

- Funding: On December 30, 2009, NYC closed on a \$56m credit facility to leverage the NSP funds with \$32 million of private capital. The additional funding will boost the efficacy of the NSP funds in purchasing and rehabilitating 1-4 family homes in the neighborhoods with the highest rates of foreclosures. NYC was also awarded \$1.9M from HFA's competitive grant process for state NSP funds. Additionally, \$1.1M in grant funds from New York State's Affordable Housing Corporation (AHC) will provide an additional subsidy for households earning up to 80% AMI, as necessary. Both NYC's NSP award and the NYS NSP award will be drawn down as a lump sum in order to fully fund the credit facility and secure leveraged private funding provided by a group of lenders, led by JP Morgan Chase.

- Process: When Restored Homes finds an eligible property, they send all relevant information to HPD, which makes a commitment to buy the property for a specific price. Funds from the credit facility are then requisitioned by Restored Homes from the credit facility. This funding is partially NSP money and partially private capital. Depending on the cost of rehabilitation, the sale price, and other factors, the property may require more or less capital than originally committed. If there is a surplus, those funds will be used to acquire additional REO properties. If there is a deficit, HPD will use additional NSP subsidy that is reserved for these subsequent acquisition and rehabilitation costs as necessary.

- Strategy: HPD and the developer, Restored Homes, finalized a process for selecting homes in a manner that maximizes neighborhood stabilization impact. Since 2008, Restored Homes has tracked for sale REO properties

using lists from the National Community Stabilization Trust, the REO Clearinghouse, and bank websites. By recording and mapping this data over time, we have determined which areas have the most foreclosure activity. So, in addition to selecting properties based on their price, the extent of rehabilitation they require, and our ability to successfully market them to owner-occupants, we also purchase properties in areas where we've seen high foreclosures. Restored Homes also clusters properties when possible—creating not only clusters of REO properties, but also clustering REO acquisitions with properties that we have already purchased and rehabilitated through other programs such as ACA.

- Pipeline: As part of its Owner Abandoned Multi-Family Strategy, HPD has begun negotiating dispositions with lenders holding mortgages on multifamily properties identified in the City's NSP Action Plan.
- Administrative:
 - HPD and Restored Homes issued an RFQ September 16, 2009 for potential contractors, architects and community partners seeking work on the REO portfolio.
 - HPD finalized forms and protocols for complying with the HUD environmental review requirements and conveyed these requirements to the developers.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
ADMIN - 001, ADMIN	\$0.00	\$521,100.00	\$0.00
Own Aban - 001, Owner-Abandoned Multifamily Property Strategy	\$0.00	\$6,064,435.00	\$0.00
REO - 001, Real Estate Owned (REO) Strategy	\$0.00	\$17,672,205.00	\$0.00

Activities

Grantee Activity Number:	Own Aban - 001-001
Activity Title:	7A-1514 DeKalb Ave.

Activity Category:

Acquisition - general

Project Number:

Own Aban - 001

Projected Start Date:

11/05/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Completed

Project Title:

Owner-Abandoned Multifamily Property Strategy

Projected End Date:

11/13/2009

Responsible Organization:

NYCHPD

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$215,334.68
Total CDBG Program Funds Budgeted	N/A	\$215,334.68
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$215,234.00	\$215,234.00
NYCHPD	\$215,234.00	\$215,234.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:
Location Description:
Activity Progress Narrative:

NYC purchased one multifamily building in conformance of the goals of the Owner Abandoned Multifamily Strategy as laid out in the action plan. NSP funds were used to purchase 1514 Dekalb Avenue, Brooklyn, NY. The grant funds facilitated the purchase of this previously distressed and foreclosed property, which will be purchased by the court appointed administrator that had been previously maintaining the building and working with tenants. Purchasing this property out of foreclosure will provide long term stability for the 6 household in this property. All the tenants in this property are low income households.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	1/1
# of housing units	0	0	6	0/0	0/0	6/6
# of Households benefitting	6	0	6	6/6	0/0	6/6

Activity Locations

Address	City	State	Zip
1514 DeKalb Avenue	Brooklyn	NA	11237

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
