

Grantee: Hsg Trust of Silicon Valley

Grant: B-09-CN-CA-0054

October 1, 2020 thru September 30, 2021

Grant Number: B-09-CN-CA-0054	Obligation Date:	Award Date:
Grantee Name: Hsg Trust of Silicon Valley	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$25,000,000.00	Grant Status: Closed with Ongoing Reporting	QPR Contact: Brent Malloy
LOCCS Authorized Amount: \$25,000,000.00	Estimated PI/RL Funds: \$19,500,000.00	
Total Budget: \$44,500,000.00		

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

NOTE: This Action Plan provides summarized narratives and updated status of the programs administered by the San Jose NSP2 Consortium (Consortium). Due to the decrease in character size per narrative, the complete narrative is not available within this Approved Action Plan. Please refer to the Action Plan approved October 3, 2012, and original NSP2 Application for a complete description.

In 2009, the Housing Trust Silicon Valley (HTSV), formerly the Housing Trust of Santa Clara County (HTSCC), the City of San Jose (CSJ), and Neighborhood Housing Services Silicon Valley (NHSSV) formed the San Jose NSP2 Consortium (Consortium) to apply for and administer a \$25,000,000 grant for the Neighborhood Stabilization Program 2 (NSP2) funds made available by the U.S. Department of Housing and Urban Development (HUD) under the American Recovery and Reinvestment Act (ARRA) of 2009. The main objectives of this Grant are to stabilize neighborhoods in our Target Geography by reducing the number of foreclosed or abandoned homes and residential properties, and to create new affordable housing opportunities for very-low, low, and moderate income households. The Consortium's goals were to; 1) provide secondary financing for income eligible purchasers of foreclosed homes, 2) implement and administer a program to acquire, rehabilitate foreclosed or abandoned homes in the Target Geography and re-sell to income eligible purchasers, and 3) to rehabilitate and develop rental housing that meets the 50% AMI set-aside requirement. The goal of the Consortium is to assist in the purchase of no less than 205 foreclosed properties or units for the purpose of creating affordable homes. This goal was exceeded by 108 units for a total of 313 units, including 220 rental units available to families with incomes at or below 50% of the local area median income.

Target Geography:

The Consortium has identified 35 census tracts in the City of San Jose that are the hardest hit by foreclosures. Using HUD's established methodology to identify those areas with the highest foreclosure and vacancy rates, the Consortium has identified 35 census tracts with an average foreclosure score of at least 18 within the City of San Jose. Foreclosures continue to be concentrated in these specific San Jose Census tracts, as identified in the NSP2 application. These target geographies have several socio-economic characteristics that make them not only the epicenters of destabilization, but also the areas in which targeted investment is necessary to re-stabilize them. Although each of the census tract has been significantly impacted by the housing market downturn and foreclosures, the census tracts are not homogeneous. San Jose is a large city, in terms of both population and physical size with varying socio-economic conditions in each census tract. Residents in the census tracts are employed in a broad range of sectors, all of which are impacted by the economic downturn. Lower-income residents are predominately employed in service sectors, while higher-income residents are primarily employed in information technology, finance, and business and management (California Employment Development Department). The decline in technology-related businesses in San Jose has particularly impacted residents in higher-income geographies. The deteriorating labor market lead impacted areas into the next wave of foreclosures characterized by job losses or reduction in pay, composed primarily of prime borrowers with 30-year fixed mortgages rather than the first wave characterized by subprime borrowers holding adjustable-rate mortgages. In San Jose, the first wave of foreclosures occurred in the lower income census tracts. Unless families with subprime, adjustable-rate mortgages in these neighborhoods were able to receive loan modifications to reduce their payments to an affordable level, the lower-income tracts will continue to be impacted by foreclosures due to resetting mortgage rates. The City of San Jose has a number of impacted census tracts, which is defined as a tract in which at least 50% of the households are low-income require greater assistance for recovery than other neighborhoods in the City that have a better mix of residents across income levels, and that reflect greater levels of economic development.

Based on the preceding analysis, the Consortium administered three programs to stabilize the target geographies: 1) homebuyer assistance program; and 2) acquisition/rehabilitation of foreclosed or abandoned residential properties for re-sale, rental or redevelop. The combination of these programs will allow the Consortium to best respond to the widely varying conditions found in its 35 qualifying census tracts.



Program Approach:

The Consortium will spend a total of \$25,000,000 to undertake the eligible activities outlined below. Funds will be allocated to target areas with the highest foreclosure impact, and to households earning less than 120% of Area Median Income (LMMI). Pursuant to NSP2 regulations, 25% of the funding will be targeted for the benefit of very-low income households earning at or below 50% of the Area Median Income (VLI).

Activity A - Financing Mechanisms - Purchase Assistance Loans. As amended, under the eligible activity (A) Establish Financing Mechanisms, the Consortium plans to allocate up to \$64,245.00 to this program to assist a minimum of 1 eligible homebuyer to purchase a foreclosed home by providing down payment and/or closing cost assistance.

Activity B - Acquisition/Rehab -As amended, offers three activity types: 1) Purchase Assistance Loans (PAL) - Homeownership Assistance to very-low, low- and moderate-income households (51 units); 2) Dream Home (DH) - Acquisition/rehabilitation and resale of residential structures to LMMI households (41 Units); 3) LH 25% Set-Aside Rental housing program for households at or below 50% AMI (VLI) (58 units).

PAL is available to income eligible homebuyers purchasing a foreclosed home, on an over-the-counter basis. PAL provides homeownership assistance up to \$50,000, or 20% of the purchase price of the home, whichever is less. The eligible uses will include down payment assistance not to exceed 50% of purchase price, closing costs and minor repairs of foreclosed homes to facilitate the acquisition. The loan will be a 30-year payment-deferred promissory note secured by a deed of trust, held in second or third position, and at a 3% deferred, simple interest rate. The note will be due in 30 years, or at sale, title transfer, refinancing or expiration of note and affordability term as a balloon payment. This model has been adopted from the HOME Program-Homebuyer Activities, Recapture/Resale. All recipients of funds will be required to make a minimum 3% down payment and attend at least 8 hours of homebuyer counseling offered by Consortium member NHSSV or another HUD-approved counseling service. The assisted unit must remain as the homeowner's primary residence.

Dream Home is an acquisition/rehabilitation and resale program. The Consortium will acquire and rehabilitation foreclosed or abandoned homes and re-sell to income eligible homebuyers. The eligible uses will include down payment assistance not to exceed 50% of purchase price, closing costs and minor repairs of foreclosed homes to facilitate the acquisition. The loan will be a 30-year payment-deferred promissory note secured by a deed of trust, held in second or third position, and at a 3% deferred, simple interest rate. The note will be due in 30 years, or at sale, title transfer, refinancing or expiration of note and affordability term as a balloon payment. This model has been adopted from the HOME Program-Homebuyer Activities, Recapture/Resale. All recipients of funds will be required to make a minimum 3% down payment and attend at least 8 hours of homebuyer counseling offered by Consortium member NHSSV or another HUD-approved counseling service. The assisted unit must remain as the homeowner's primary residence.

LH 25% is an acquisition of a foreclosed/abandoned multifamily residential property, requiring

Program Approach:

substantial rehabilitation. This residential property will be available to households at or below 50% AMI.

Activity E - Development of Vacant Properties. As amended, construction of new housing under LH 25% Set-Aside Rental housing program for households at or below 50% AMI (VLI) (162 units).

Consortium Members:

The San Jose NSP2 Consortium is composed of Housing Trust Silicon Valley, who will serve as the Lead Agency of the Consortium, the City of San Jose Housing Department (City) and Neighborhood Housing Services Silicon Valley* (NHSSV). The Consortium combines the strengths of its three member organizations to build on their respective expertise and to maximize efficiency and effectiveness. Each of the members has direct experience administering all of the various programs and activities outlined in this application. Each has been engaged in housing acquisition and rehabilitation. Each has managed down payment assistance programs. Each has leveraged millions of dollars in lending capital on behalf of its low- and moderate-income constituents. Each has been deeply engaged in neighborhood revitalization activities over the past ten years either directly or through the provision of development financing. Each has close working relationships with the business and real estate sectors; and with the low-income communities afflicted by the foreclosure crisis. The Consortium currently possesses the capacity to both implement the scope of work quickly upon receipt of the NSP funds and to leverage extensive administrative and programmatic staff resources. Because of this depth of experience and capacities, the Consortium is able to implement the proposed activities while utilizing less than the permitted 10% maximum for administration; thus dedicating a greater percentage of NSP-2 funds to bringing direct impact on selected San Jose neighborhoods.

*NHSSV ceased operations in 2015 and finalized dissolution in 2016.

How to Get Additional Information:

To learn more about the San Jose Consortium and our NSP2 grant, please contact the following individuals and organizations: Lead Agency: Housing Trust Silicon Valley (formerly Housing Trust of Santa Clara County)-www.housingtrustsv.org - 75 E. Santa Clara Street, Suite 1350, San Jose, CA 95113

Contact: Kevin Zwick, Chief Executive Officer -kevin@housingtrustsv.org phone: 408.436.3450 x 225

Contact: Craig Mizushima, Chief Impact Officer-craig@housingtrustsv.org phone: 408.436.3450 x 226

Contact: Julie Maholwald, Chief Financial Officer - juliem@housingtrustsv.org phone: 408.436.3450 x 227

Consortium Member - City of San Jose Housing Department - www.sjhousing.org -- 200 East Santa Clara Street, 12th Floor, San Jose, CA 95113

Contact: Jacky Morales-Ferrand - Director - jacky.morales-ferrand@sanjoseca.gov phone: 408.535.3855

Consortium Member - Neighborhood Housing Services Silicon Valley - www.nhssv.org -- Agency dissolved.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$41,032,926.17
Total Budget	\$0.00	\$37,840,688.44
Total Obligated	\$0.00	\$37,680,467.86
Total Funds Drawdown	\$0.00	\$37,700,061.43
Program Funds Drawdown	\$0.00	\$25,000,000.00
Program Income Drawdown	\$0.00	\$12,700,061.43
Program Income Received	\$478,076.29	\$20,356,795.83



Total Funds Expended	\$0.00	\$37,641,598.25
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 3,192,237.73
Match Funds	\$ 0.00	\$ 3,192,237.73
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of San Jose	\$ 0.00	\$ 28,868,812.16
Housing Trust Silicon Valley	\$ 0.00	\$ 0.00
Housing Trust of Santa Clara County	\$ 0.00	\$ 8,772,786.09

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$750,000.00	\$3,192,237.73
Overall Benefit Amount	\$42,181,790.33	\$.00	\$.00
Limit on Public Services	\$.00	\$.00	\$.00
Limit on Admin/Planning	\$2,500,000.00	\$1,892,130.98	\$1,751,503.97
Limit on Admin	\$.00	\$1,892,130.98	\$1,751,503.97
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$11,125,000.00		\$15,575,849.52

Overall Progress Narrative:

Taylor Oaks Apartments B-02-400 Activity Description

A total of \$82,194.00 of program income was received during the reporting period.

There were five (5) income qualified new households that moved into the community and maintains 99% occupancy. Taylor Oaks continues to provide housing to 58 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Monterey Village E-03-200 Activity Description

No program income was generated during the reporting period.

There were no new households that moved into the community and the community maintains 99% occupancy. Monterey Village continues to provide housing to 18 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Ford Road Plaza E-03-200 Activity Description

A total of \$4,416.00 of program income was received during the reporting period.

There were four (4) income qualified new households that moved into the community and maintains 99% occupancy. Ford & Monterey (Family Apartments) continues to provide housing to 74 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Dream Home B-02-300 Activity Description

A total of \$291,466.29 of program income was received during the reporting period. Six (4) paid-off their loans by either selling or refinancing. Additionally, two (2) homeowners decided to make payments towards their outstanding balances. There are no difficulties for these homeowners. The real estate market remains especially strong despite COVID, homes are selling quickly. Further, interest rates have fallen to record lows, so borrowers can refinance their first loans to lower their monthly payments.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Financing Mechanisms	\$0.00	\$64,245.00	\$64,244.92
0002, Acq/Rehab (Eligible Use B)	\$0.00	\$26,052,032.93	\$16,936,221.84
0003, Administration	\$0.00	\$2,100,000.00	\$626,031.05



0004, Construction (Eligible Use E)	\$0.00	\$10,481,605.00	\$7,373,502.19
0005, NSP2 Program Income Waiver	\$0.00	\$0.00	\$0.00

Activities

Project # / 0002 / Acq/Rehab (Eligible Use B)



Grantee Activity Number: B-02-200

Activity Title: PAL - LMMI

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

0002

Projected Start Date:

07/01/2010

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Acq/Rehab (Eligible Use B)

Projected End Date:

12/30/2012

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

Housing Trust of Santa Clara County

Overall**Total Projected Budget from All Sources****Oct 1 thru Sep 30, 2021 To Date**

\$0.00 \$2,300,989.68

Total Budget

\$0.00 \$2,300,989.68

Total Obligated

\$0.00 \$2,300,989.68

Total Funds Drawdown

\$0.00 \$2,300,989.68

Program Funds Drawdown

\$0.00 \$1,378,358.67

Program Income Drawdown

\$0.00 \$922,631.01

Program Income Received

\$100,000.00 \$1,646,876.58

Total Funds Expended

\$0.00 \$2,300,989.68

Housing Trust of Santa Clara County

\$0.00 \$2,300,989.68

Most Impacted and Distressed Expended

\$0.00 \$0.00

Activity Description:

Q4 2017 - Prior period adjustments were made deleting two VLI and adding one LMMI. Voucher and demographic adjustments were made to reflect adjustment.

Q4 2013 - Given the continuous recovery of the housing market and challenges acquiring new properties, the NSP2 Consortium met to re-evaluate the NSP2 programs and goals. The Consortium concluded that the most prudent direction was to reduce the production goals of the PALProgram to 44 from 75 units and redirect remaining funds to a \$4 million multifamily NOFA.

Under the eligible activity (B) Acquisition/Rehab, the Consortium plans to allocate up to \$2,535,755 to this program to assist up to 75 eligible homebuyers purchase foreclosed homes by providing downpayment and/or closing cost assistance.

Downpayment assistance will not exceed 50% of lender's required downpayment. As administrator of the Purchase Assistance Loan, Housing Trust Silicon Valley (HTSV), formerly the Housing Trust of Santa Clara County (HTSCC), will award homeownership assistance loans of up to \$50,000 or 50% of the lender's required downpayment, whichever is less, to income eligible homebuyers purchasing foreclosed homes, on an over-the-counter basis. The eligible uses will include downpayment assistance not to exceed 50% of lender required downpayment, closing costs and minor repairs of foreclosed homes to facilitate the acquisition.

The loan will be a 30-year interest deferred promissory note secured by a deed of trust, held in second or third position, and at a 0% simple interest rate. The note will be due in 30 years, or at sale, title transfer, refinance or expiration of note and affordability term as a balloon payment; except in the event of a foreclosure that results in no net proceeds or when the net proceeds are insufficient to repay the full amount of the assistance. If there are no net proceeds from the sale, then the remaining balance of the loan shall be forgiven. This model has been adopted from the HOME Program-Homebuyer Activities, Recapture/Resale requirements.

All recipients of funds will be required to make a minimum 3% downpayment and attend at least 8 hours of homebuyer counseling offered by Consortium member Neighborhood Housing Services Silicon Valley or another HUD-certified homebuyer counseling service. The assisted unit must remain as the homeowner's primary



residence.

Though property values have decreased over 35% in the targeted areas, the cost of housing in Santa Clara County remains high. The Purchase Assistance Loan program will enable income eligible households to realize affordable homeownership while participating in community neighborhood stabilization efforts supported by the City Code Enforcement Unit, Strong Neighborhood Initiative, and the Foreclosure Prevention Task Force, a consortium of nonprofit housing and legal services agencies, real estate and lending professionals, and local jurisdictions.

Purchase Assistance Loan financing will also be made available to income eligible households purchasing homes that the Consortium has acquired and rehabilitated as part of eligible use (B).

The Consortium will ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank's regulator's guidance for non-traditional mortgages under the Statement of Subprime Mortgage Lending issued by the Office of Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury and National Credit Union Administration (Statement). In accordance with the Statement, the Consortium will not permit homebuyers to obtain subprime mortgages for whom such mortgages are inappropriate, including homebuyers who qualify for traditional mortgage loans.

Additionally, if an NSP2 assisted home was previously assisted with HOME funds, but on which the affordability restrictions have been terminated through foreclosure or transfer in lieu of foreclosure (Deed in Lieu), the Consortium will revive the HOME affordability restrictions to the greater of the remaining period of HOME affordability or the continuing affordability requirement as stipulated.

Location Description:

35 Census Tracts in San Jose that score an average of 18 or higher on HUD's NSP2 foreclosure need tool using Method 1. These Census Tracts comprise our Target Geography and are located throughout San Jose. This Target Geography includes Central San Jose, South San Jose, Alum Rock, Edenvale, Coyote, Willow Glen, Berryessa, and Evergreen.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	44/44
# of Singlefamily Units	0	44/44

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	16/0	28/29	44/44	100.00
# Owner	0	0	0	16/0	28/29	44/44	100.00

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

Activity Supporting Documents: None



Grantee Activity Number: B-02-300

Activity Title: Acquisition-Rehab-Resale - LMMI

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
0002

Projected Start Date:
07/01/2010

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Completed

Project Title:
Acq/Rehab (Eligible Use B)

Projected End Date:
12/30/2015

Completed Activity Actual End Date:

Responsible Organization:
City of San Jose

Overall	Oct 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$18,007,473.34
Total Budget	\$0.00	\$18,007,473.34
Total Obligated	\$0.00	\$18,007,473.34
Total Funds Drawdown	\$0.00	\$18,007,473.34
Program Funds Drawdown	\$0.00	\$10,721,957.25
Program Income Drawdown	\$0.00	\$7,285,516.09
Program Income Received	\$291,466.29	\$12,949,442.25
Total Funds Expended	\$0.00	\$18,007,473.34
City of San Jose	\$0.00	\$18,007,473.34
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

Q4 2017 - Green features were included in this report. The Consortium's focus was to mitigate damage due to deferred maintenance and vandalism, while integrating energy efficient technology where practicable. In addition to the features listed above, use of low VOC paints and flooring were also utilized. Native, draught tolerant plants and drip irrigation systems were also used to minimize water useage.

Q4 2013-Given the continuous recovery of the housing market and challenges acquiring new properties, the NSP2 Consortium met to re-evaluate the NSP2 programs and goals. The Consortium concluded that the most prudent direction was to reduce the production goals of the and Dream Home Program to 41 units, and redirect the remaining funds to a \$4 million multifamily NOFA.

The City of San Jose, as the responsible entity for the Consortium, will seek to purchase a portfolio of foreclosed homes in the target geography from one or more lenders or in the market at a 1% discount of the current market appraised value as defined as a property value established through an appraisal made in conformity with URA appraisal requirements.

Following acquisition, the City will rehabilitate the homes to mitigate any damage due to deferred maintenance or vandalism. Energy saving green technology will be incorporated whenever practicable and utilizing the Build-It-Green system. Common upgrades such as furnace replacement, duct sealing, attic insulation and replacement lights and appliance upgrades can potentially reduce energy bills by up to 38%. The homes will then be sold to income-qualified households at or below the City's cost of acquisition and rehabilitation.

The Consortium will allocate up to \$10,639,000 to this program. In addition to the direct acquisition and/or rehabilitation of foreclosed properties by the City, funds will be made available to nonprofit and responsible for-profit developers through a competitive RFQ process. We estimate that up to \$360,000 of NSP funds will be invested in each house which will be repaid by the sales proceeds. The first phase of the program will consist of up to 33 homes. As homes are sold to qualified households, the funds will revolve, enabling the purchase and rehabilitation of the second phase of 20 homes. Homebuyers under this program will be required to meet the



same criteria as required the Purchase Assistance Loan Program, which includes a minimum 3% down-payment, successfully complete a minimum of 8 hours of homebuyer counseling as offered by Consortium member Neighborhood Housing Services of Silicon Valley or another HUD-certified homeownership service, and occupy the assisted home as their primary residence. Market research by the Consortium has indicated that foreclosed homes requiring extensive rehabilitation in the target market are currently being sold for approximately \$250,000. The Consortium intends to acquire vacant, foreclosed properties that propose the greatest threat of blight, vandalism and gang related activity.

The Consortium expects to purchase a foreclosed property in an identified target area for \$250,000 including the 1% discount, add estimated rehab costs of \$100,000, including contractor profit and overhead of 10%, and an estimated \$10,000 of acquisition and holding costs for a total acquisition and retention cost of \$360,000. Home prices for traditional sales (non-foreclosed properties) of homes in good condition in our target geography range from \$350,000 to \$400,000, ensuring a market will exist for the Consortium's rehabilitated homes.

Based on the example above, this home would be sold to income-qualified households at or below the cost of acquisition and rehabilitation. This would easily provide affordability to a family of four earning up to \$126,600 (120% of County AMI) as shown below, and Soft seconds and equity share loans will be made available to expand the affordability range to low-income families. The Consortium is confident that homes in the target census tracts, particularly homes that have undergone recent rehabilitation, can be sold. According to the Santa Clara County Association of Realtors' Sales Report, the median price for a single-family homes selling under \$500,000 in San Jose is \$365,000. It is anticipated that the homes acquired under this program will be placed on the market well below the overall San Jose median price of \$410,000, enhancing their marketability and promoting the success of the program.

Additional down payment assistance from other sources will be permitted in this program.

Using the housing cost standard of 38%, a household income of approximately \$84,432 would be necessary to qualify for this purchase. For a household size of four with income at the middle-income (120% AMI) maximum of \$126,600 would be able to easily afford this housing purchase.

The Consortium recognizes that acquisition of foreclosed properties is the key to a successful NSP program. The Consortium will work with the Santa Clara County Association of Realtors, the National Association of Hispanic Real Estate Professionals, California Association of Mortgage Brokers, Silicon Valley Chapter, and other local lenders to facilitate the acquisition and financing of foreclosed properties in the target market. The Consortium has contacted the National Community Stabilization Trust to request technical assistance in the purchase of properties in bulk prior to listing in the Multiple Listing Service (MLS). The Consortium is familiar with the Real Estate Owned (REO) Property Acquisition Program and REO Capital Fund programs developed by the National Community Stabilization Trust. It is our intention to explore opportunities to participate in these programs.

The Consortium is also working with the foreclosure departments of financial institutions that hold significant quantities of foreclosed property to request their listings of properties in the Target Geographies.

The Department of Housing of the City of San Jose has extensive experience in housing rehabilitation with an active staff of 16, including eight Rehabilitation Inspectors. Housing Rehabilitation staff will provide crucial oversight of housing rehabilitation projects developed by nonprofit or for-profit entities receiving NSP funds to acquire and rehabilitate foreclosed properties. This oversight will insure that the work is done efficiently, in a cost-effective manner, and in compliance with employment and contracting rules as they relate to Equal Opportunity Employment, Section 3 Economic Opportunity, MBE/WBE, Davis-Bacon Act, lead hazard abatement and NEPA. As this oversight is an important component of the Consortium's NSP2 program, the City will be seeking to add an additional Rehabilitation Inspector during the course of this program.

The Consortium plans to conduct an extensive outreach campaign to identify and market homes to low and moderate-income households. Neighborhood Housing Services of Silicon Valley conducts regular first-time homebuyer workshops that will be one avenue for developing a pool of potential buyers. NHSSV generally maintains a pool of 30 to 40 pre-approved, ready-to-buy households. NHSSV, with monitoring by the City of San Jose, Housing Department to ensure compliance with fair housing regulations and efforts to affirmatively further fair housing, will perform the necessary buyer qualification process to insure that income-targeting goals are met. The Housing Department's Homebuyer Program consists of 3 full-time employees knowledgeable and experienced in homebuyer underwriting and will be available to assist with the NSP2 programs.

Location Description:

Thirty-five (35) Census tracts (tracts) in San Jose qualify as "target geographies" based on HUD's NSP2 need calculation tool using method 1 as specified in the Notice of Funding Availability. (See Table below) Collectively, these tracts average a score of 18 points on the 1-through-20 needs index provided by the NSP calculation tool.

Table 1.2 - City of San Jose Qualifying Target Geographies

By Census Tract, City, Zip Code, Planning Area

5009.02, San Jose, 95112, Central; 5011, San Jose, 95112, Central
5024, San Jose, 95125, Willow Glen; 5025, San Jose, 95125, Willow Glen
5031.03, San Jose, 95112, South; 5031.06, San Jose, 95122, South
5031.11, San Jose, 95122, South; 5032.04, San Jose, 95111, South;
5032.17, San Jose, 95111, South
5033.04, San Jose, 95121, Evergreen; 5033.05, San Jose, 95122, Evergreen
5033.17, San Jose, 95121, Evergreen; 5033.19, San Jose, 95135, Evergreen
5033.2, San Jose, 95135, Evergreen; 5033.28, San Jose, 95138, Evergreen
5034.01, San Jose, 95122, Alum Rock; 5035.04, San Jose, 95122, Alum Rock
5035.08, San Jose, 95127, Alum Rock; 5035.1, San Jose, 95127, Alum Rock
5037.02, San Jose, 95116, Alum Rock; 5037.06, San Jose, 95116, Alum Rock
5037.07, San Jose, 95116, Alum Rock; 5039, San Jose, 95127, Alum Rock
5040.02, San Jose, 95116, Alum Rock; 5041.02, San Jose, 95127, Alum Rock
5043.1, San Jose, 95131, Berryessa; 5043.18, San Jose, 95112, Berryessa
5120.01, San Jose, 95138, Edenvale; 5120.02, San Jose, 95138, Edenvale
5120.16, San Jose, 95123, Edenvale; 5120.17, San Jose, 95111, Edenvale
5120.21, San Jose, 95136, Edenvale; 5120.23, San Jose, 95123, Edenvale
5120.29, San Jose, 95123, Edenvale
5123.04, San Jose/ Morgan Hill, 95037, Coyote

Activity Progress Narrative:



Taylor Oaks Apartments B-02-400 Activity Description

A total of \$82,194.00 of program income was received during the reporting period.

There were five (5) income qualified new households that moved into the community and maintains 99% occupancy. Taylor Oaks continues to provide housing to 58 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Monterey Village E-03-200 Activity Description

No program income was generated during the reporting period.

There were no new households that moved into the community and the community maintains 99% occupancy. Monterey Village continues to provide housing to 18 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Ford Road Plaza E-03-200 Activity Description

A total of \$24,283.00 of program income was received during the reporting period.

There were four (4) income qualified new households that moved into the community and maintains 99% occupancy. Ford & Monterey (Family Apartments) continues to provide housing to 74 households per their regulatory agreement as well as continues to follow their affirmative marketing plan. The property has experienced no operating issues. There are currently no issues filling vacant units quickly and the property maintains a waitlist. Annual inspection for this property was most recently completed on June 30, 2021.

Dream Home B-02-300 Activity Description

A total of \$342,164.37 of program income was received during the reporting period. Five (5) paid-off their loans by either selling or refinancing. Additionally, one (1) homeowner decided to make a payment towards their outstanding balance.

There are no difficulties for these homeowners. The real estate market remains especially strong despite COVID, homes are selling quickly. Further, interest rates have fallen to record lows, so borrowers can refinance their first loans to lower their monthly payments.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Additional Attic/Roof	0	24/24
#Dishwashers replaced	0	38/38
#Efficient AC added/replaced	0	26/26
#Energy Star Replacement	0	173/173
#Light fixtures (outdoors)	0	146/146
#Light Fixtures (indoors)	0	366/366
#Low flow showerheads	0	48/49
#Low flow toilets	0	66/66
# of Properties	0	41/41
#Replaced hot water heaters	0	34/34
#Replaced thermostats	0	26/23
#Units with bus/rail access	0	41/41

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	41/41
# of Singlefamily Units	0	41/41

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	24/24	17/17	41/41	100.00
# of Persons	0	0	0	0/0	0/0	0/0	0
# Owner	0	0	0	24/24	17/17	41/41	100.00

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

Activity Supporting Documents: None



Grantee Activity Number: B-02-400

Activity Title: 25% Set-Aside Rental Program

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

0002

Projected Start Date:

08/01/2010

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Completed

Project Title:

Acq/Rehab (Eligible Use B)

Projected End Date:

10/01/2012

Completed Activity Actual End Date:

Responsible Organization:

City of San Jose

Overall

	Oct 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$5,350,000.00
Total Budget	\$0.00	\$5,350,000.00
Total Obligated	\$0.00	\$5,350,000.00
Total Funds Drawdown	\$0.00	\$5,350,000.00
Program Funds Drawdown	\$0.00	\$4,619,177.92
Program Income Drawdown	\$0.00	\$730,822.08
Program Income Received	\$82,194.00	\$217,081.00
Total Funds Expended	\$0.00	\$5,350,000.00
City of San Jose	\$0.00	\$5,350,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

Q4 2017 - Green measures were added to this report. This project required substantial rehabilitation of nearly all 58 units. In October 2012, the Architect of Record validated that the targeted Green Point rating of 26 was met. The developer implemented the proposed measures including a cool TPO roof system, bike lockers, artificial turf, drought tolerant landscaping and green certified vinyl flooring.

Q4 2013 - To accurately reflect the actual multifamily units completed under this Activity, a revision is being made. The original Activity goal of 23 is revised to 58 actual units at Taylor Oaks Apartments, which was completed in September 2012.

The Consortium will allocate up to \$5,250,000 for loans to eligible nonprofit or responsible-for-profit affordable housing developers for the acquisition and rehabilitation of foreclosed properties to create a minimum of 23 affordable, permanent rental housing, at the HOME Low Rent Limits or any HUD rent consistent with the policies and procedures, to individuals and families at or below 50% AMI. A maximum loan of \$150,000 will be available to a qualified nonprofit for each bed/unit of affordable housing created. Flexible Terms of the loan to nonprofits include up to a 4.00% interest rate, for at least a 30-year loan term with the minimum required affordability period or as consistent with the policies and procedures manual. Deferred loans will be considered to ensure affordability and project feasibility. The nonprofit will also be required to submit a property management plan for review and approval by the Housing Department Asset Manager. Annual inspection for maintenance, local housing standards and rent roll. Nonprofits providing permanent housing solutions to special needs populations will also be required to document support services funding.

Location Description:

35 Census Tracts in San Jose that score an average of 18 or higher on HUD's NSP2 foreclosure need tool using Method 1. These Census Tracts comprise our Target Geography and are located throughout San Jose. This Target

Geography includes Central San Jose, South San Jose, Alum Rock, Edenvale, Coyote, Willow Glen, Berryessa, and Evergreen.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# ELI Households (0-30% AMI)	0	6/6
#Low flow showerheads	0	58/58
#Low flow toilets	0	58/58
# of Properties	0	2/2
# of Substantially Rehabilitated	0	58/58
#Refrigerators replaced	0	58/58
#Units with bus/rail access	0	58/58

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

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	58/58	0/0	58/58	100.00
# of Persons	0	0	0	0/0	0/0	0/0	0
# Renter	0	0	0	58/58	0/0	58/58	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Housing Trust Silicon Valley Matching Funds	\$250,000.00
Subtotal Match Sources	

Activity Supporting Documents: None

Project # / 0004 / Construction (Eligible Use E)



Grantee Activity Number: E-03-200

Activity Title: Development of Vacant Properties - 25% Set-Aside

Activity Type:

Construction of new housing

Project Number:

0004

Projected Start Date:

11/01/2010

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Completed

Project Title:

Construction (Eligible Use E)

Projected End Date:

02/28/2015

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

City of San Jose

Overall	Oct 1 thru Sep 30, 2021	To Date
Total Projected Budget from All Sources	\$0.00	\$4,966,666.31
Total Budget	\$0.00	\$4,966,666.31
Total Obligated	\$0.00	\$4,966,666.31
Total Funds Drawdown	\$0.00	\$4,966,666.31
Program Funds Drawdown	\$0.00	\$2,371,071.21
Program Income Drawdown	\$0.00	\$2,595,595.10
Program Income Received	\$4,416.00	\$82,697.95
Total Funds Expended	\$0.00	\$4,966,666.31
City of San Jose	\$0.00	\$4,966,666.31
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

Q4 2017- A minor budget adjustment of \$2,496.02 was made to reconcile project budget. Under Eligible Use E, the Consortium will allocate up to \$5,211,000 for loans to eligible non-profit developers for the redevelopment of vacant properties to create up to 92 units of affordable, permanent rental housing, at the HOME Low Rent or any HUD rent consistent with the policies and procedures, to individuals and families at or below 50% AMI. A maximum loan of \$175,000 will be available to a qualified nonprofit for each unit of affordable housing created. Flexible Terms of the loan to nonprofits include an up to 4.00% interest rate, for at least a 30-year loan term with the minimum affordability requirement or consistent with the policies and procedures manual. Deferred loans will be considered to ensure affordability and project feasibility. The nonprofit will also be required to submit a property management plan for review and approval by the Housing Department Asset Manager as well as Annual inspection for maintenance, local housing standards and rent roll. Nonprofits providing permanent housing solutions to special needs populations will also be required to document support services funding.

Location Description:

35 Census Tracts in San Jose that score an average of 18 or higher on HUD's NSP2 foreclosure need tool using Method 1. These Census Tracts comprise our Target Geography and are located throughout San Jose. This Target Geography includes Central San Jose, South San Jose, Alum Rock, Edenvale, Coyote, Willow Glen, Berryessa, and Evergreen.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
		Total		Total
# ELI Households (0-30% AMI)		0		38/20
#Low flow showerheads		0		116/92
#Low flow toilets		0		116/92
#Units exceeding Energy Star		0		92/92
#Units with bus/rail access		0		92/92
#Units with other green		0		92/92

	This Report Period		Cumulative Actual Total / Expected	
		Total		Total
# of Housing Units		0		92/92
# of Multifamily Units		0		92/92

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	92/92	0/0	92/92	100.00
# Renter	0	0	0	92/92	0/0	92/92	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Housing Trust Silicon Valley Matching Funds	\$500,000.00
Subtotal Match Sources	

Activity Supporting Documents: None

