

Grantee: Los Angeles Neighborhood Housing Services Inc.

Grant: B-09-CN-CA-0048

January 1, 2019 thru March 31, 2019 Performance Report

Grant Number: B-09-CN-CA-0048	Obligation Date:	Award Date:
Grantee Name: Los Angeles Neighborhood Housing	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$60,000,000.00	Grant Status: Active	QPR Contact: Lori Gay
LOCCS Authorized Amount: \$60,000,000.00	Estimated PI/RL Funds: \$62,000,000.00	
Total Budget: \$122,000,000.00		

Disasters:

Declaration Number

No Disasters Found

Narratives

Executive Summary:

Overall NSP 2 Program: With strong support from local municipalities, local lenders, neighborhood leaders and the foundation community, LA NHS and its consortium partners are inspired to expand their local efforts to make a significant contribution that is measurable in the efforts to stabilize targeted neighborhoods that have been impacted by foreclosures. The most significant foreclosure problems in the areas targeted by the LA NHS NSP2 application are older, lower and middle income neighborhoods where significant foreclosures have taken place due to new buyers accessing unaffordable adjustable rate mortgage products, and existing homeowners borrowing at high and sometimes exorbitant interest rates for refinancing and other purposes. Recognizing the threat foreclosures posed to our neighborhoods in Los Angeles, LA NHS established in April, 2007 an immediate and sustainable solution to apply appropriate strategies for dealing with foreclosures and homeownership preservation: The Los Angeles County NeighborWorks® Center for Foreclosure Solutions, (CFS). The CFS is a coalition of government, local government enforcement agencies, financial institutions, consumer protection attorneys, housing counseling/development agencies, realtors and advocacy groups striving to find solutions to the growing problem of foreclosures.

LA NHS proposes to expand its existing community stabilization efforts along with the coalition formed through the CFS using NSP2 funds to significantly change and measurably improve housing market dynamics as required by the NSP2 regulations. The NSP 2 consortium' current activities include property acquisition and use of leveraged financing programs offered by local municipalities, financial institutions, servicers, the County of Los Angeles, State of California and national intermediaries such as NeighborWorks America and Neighborhood Housing Services of America. LA NHS will initiate work in areas that are not already targeted by local municipalities using NSP 1 who are also working in the cities cited in the proposal, unless those cities desire to use LA NHS direct resources as added leverage to reach additional families in need, the consortium will respond.

LA NHS and its partners will utilize NSP2 funds along with loan capital from local financial institutions and private foundations to finance the acquisition and rehabilitation of vacant and foreclosed homes and residential properties, targeting the creation of 500 new buyers and impacting more than 700 units for affordable housing and homeownership. This effort, coupled with leveraging the subsidy programs offered by the municipalities and grant resources from foundations will help the consortium to achieve significant affordable housing for potential buyers and tenants. There will be additional coordinated components not directly funded with NSP that will include a foreclosure support and relocation program, maintaining a lease to purchase program, offering a discounted 'buyer incentives package' for new homeowners and neighborhood revitalization and transformation projects in the targeted areas.

The coalition strategies include revitalizing some of the most severely impacted foreclosure neighborhoods to help transform whole

Executive Summary:

blocks back to walkable streets and creating neighborhoods of choice for hopeful new buyers. The properties will be rehabilitated according to the Green Communities Standard and will utilize upgrades in partnership with environmentally sensitive materials whenever possible. A key strategy will be to purchase properties that are not being targeted by other purchasers given their rehabilitation needs, but also purchasing properties that are contiguous to accessible transportation, community facilities and other public services to facilitate an expedited and first choice resale opportunity. In partnership with local mission-driven realty boards, utility companies, retail stores like Home Depot, Sears and others, LA NHS and its partners will also provide significant incentives to potential purchasers to enhance sales opportunities.

Down Payment Assistance (DAP)

- \$17,350,000
- NSP(A) Establish financing mechanisms and NSP(B) – Purchase of foreclosed properties; CDBG -24CFR 570.206; 24 CFR 570.201(a)Acquisition, (b)Disposition, 24 CFR 570.202 Rehabilitation; 24 CFR 570.202 (n)Direct homeownership assistance

NSP Homebuyer Counseling

- \$150,000
- NSP(A) Establish financing mechanisms and NSP(B) – Purchase of foreclosed properties; CDBG -24CFR 570.206; 24 CFR 570.201(a)Acquisition, (b)Disposition, 24 CFR 570.202 Rehabilitation; 24 CFR 570.202 (n)Direct homeownership assistance

Acquisition/Rehab of Single Family Homes and Residential Properties (BLOC)

- \$36,625,000
- NSP(A) – Development of financing mechanisms and NSP(B) – Purchase, rehab, sale of foreclosed properties; CDBG – 24 CFR 570.206; CDBG 24 CFR 570.201(a) Acquisition; (b)Disposition; (i) Relocation, and 24 CFR 570.202 Rehabilitation

NSP Administration

- \$6,000,000
- NSP2 allows 10% of initial allocation, and 10% of program income, to be used for general administration and planning activities CDBG – 24 CFR 570.205 and 24 CFR 570.206

Target Geography:

Target Area:
Area Census Tracts with Combined Index Score 18 - 20

South LA Area Census Tracts: Market Absorption Rate is 4.5
239800, 240010, 240020, 240200, 240300, 240400, 240500, 240600, 241000, 241110, 241120, 241200, 241300, 241400, 242000, 242200, 242300, 242600, 242700, 243100, 238320, 239200, 239310, 239320, 239330, 239500, 239600, 237200, 237300, 237300, 237400, 239700, 237100, 237400, 237500, 237600, 237710, 237720, 237800, 237900, 238200, 238310, 240700, 240800, 240900
Central LA Area Census Tracts: Market Absorption Rate is 13.0
231300, 231710, 231720,,231800, 232120, 232200, 232600, 232700, 232800, 221820, 232300, 232400, 232500, 234300, 234500, 234600, 234700, 234800, 234900, 235201, 235202 ,231500, 231600, 231900, 232110, 234000, 296400, 294120, 294900
East LA & Downtown Area Census Tracts: Market Absorption Rate is 1.5
208000, 208300, 203500, 203600, 530801, 530901, 531101, 531102, 204200, 204300, 204600, 204700, 204910, 204920, 212303
San Fernando Valley Area Census Tracts: Market Absorption Rate is 2.3

133000, 134000, 134303, 134401, 134720, 135203, 131020, 131300, 131400, 131900, 132000, 104401, 104402, 104500, 119100, 119310, 119330, 131600, 131700, 132500, 106402, 106520, 106604, 106605, 117200, 117405, 117406, 117510, 117520, 117530, 109400, 109500, 109602, 109700, 109800, 117100, 128210
Carson, Lynwood & Inglewood Census Tracts: Market Absorption Rate is 2.4
543501, 543604, 543702, 543802, 543904, 544000, 543100, 543303, 543304, 543322, 540101, 540102, 540501, 540502, 541002, 541700, 541801, 541802, 601100, 601302, 601303, 601401, 601211, 600602, 600703, 600801, 600912
Downey, Norwalk & Paramount Census Tracts: Market Absorption Rate is 2.3
550500, 550600, 550700, 550800, 551000, 551202, 551400, 551500, 551900, 550000, 550100, 550200, 550300, 551800, 552000, 552100, 552300, 552601, 552700, 552800, 553000, 542102, 542200, 542501, 543000, 551700, 553501, 553502, 553602, 553701, 553702, 553801, 553802, 553901, 553902
Gardena, Hawthorne & Compton Census Tracts: Market Absorption Rate is 2.3
602600, 603001, 603003, 602104, 602501, 602503, 602700, 541200, 541300, 541603, 541604, 541605, 541606, 542000, 542401, 542402, 542502, 542601, 542602, 542700, 542800, 542900, 543321, 543201, 543202
Marlton, Inglewood Market Street & Crenshaw Gateway 11 Census Tracts: Market Absorption Rate is
2361, 603001, 601001, 218700, 218702, 219300

Program Approach:

NSP2 Strategies:

To preserve affordable housing in the target geography affected by concentrated foreclosures, LA NHS has initiated utilizing its relationships with major financial institutions, servicers, HUD, local asset managers and community residents to start acquiring foreclosed properties in targeted 'hot spots' throughout Los Angeles County. With the support of its consortia partners, LA NHS' NSP2 plan focuses on facilitating property sales of over 500 over the next three years, with an acquisition/rehab target of 550 discounted properties, coupled with using our real estate brokerage company in partnership with local realtors as listing agents for area servicers.

The bulk of the properties negotiated through existing and future contracts will be at 40%--50% discounted value when compared to a year ago (\$200,000 acquisition prices). This allows for maintaining affordability options for potential buyers and provides enough 'equity gap' that a continued market decline will not place buyers in an upside down position. Creating a 'pool' of buyers who understand the importance of 'buying and holding' as the market turns around is critical to success. The consortia's Housing Counseling partners will be a referral source of potential first-time homebuyers. Creating a team of realtors, subsidy resources and lenders who understand investing in these types of buyers is also critical and establishes a solid pipeline of consistent closing opportunities, and ultimately, a more stabilized target geography.

Los Angeles Neighborhood Housing Services (LA NHS) proposes to establish and lead a Consortium under the auspices of the NSP 2 Program that will carry out a broad range of community development activities, including down payment assistance, acquisition/rehab/ resale of single family homes and residential properties, and homebuyer counseling.

LA NHS Through it substantial amendment was approved to expand its existing community stabilization efforts by preforming Redevelopment projects in targeted NSP2 area. NSP2 funds will be used to improve the quality of life for the Community and families that we serve. This change is very vital to the success of the NSP2 program. This change improves the housing market dynamics because there will be an increased number of affordable housing units available in these areas.

How to Get Additional Information:

For information on the NSP2 program, please contact:
Paul Samuels
213-381-2862 Ext. 243
psamuels@lanhs.org

Consortium Members:

Los Angeles Neighborhood Housing Services (LA NHS) – Lead Agency

LA NHS is a non-profit community based lender and developer, committed to the creation and preservation of wealth through self-sufficiency for families of modest means and revitalizing underserved neighborhoods throughout Los Angeles County. LA NHS works to build stronger communities by creating healthier neighborhoods. A healthy neighborhood does not only have the absence of crime and dilapidation, but is one that promotes and ensures the social, economic and environmental well-being of its residents. Over the last 25 years, LA NHS has developed and rehabilitated more than 11,200 housing and commercial units, educated and counseled over 92,000 homebuyers, created 175 block clubs, employed 200 neighborhood youth, and invested more than \$2.0 billion back into some of Los Angeles' toughest neighborhoods. As a lender to these underserved communities, Los Angeles Neighborhood Housing Services has maintained a loan portfolio with a 3% or less delinquency rate and no foreclosures.

Asian American Drug Abuse Program (AADAP)

The Asian American Drug Abuse Program was founded in 1972. Today, some 37 years later, AADAP remains one of only two programs in the nation with a mission to target and design services for Asian and Pacific Islanders with drug abuse problems. AADAP's activities to further its mission include to facilitate economic development for the purpose of sustaining and expanding services and to increase skills of and employment for local residents and clients. AADAP develops, owns and manages six residential treatment facilities, and provides acquisition/rehab of residential properties through its own construction firm. AADAP also provides extensive property management services.

City of Carson (NSP1 recipient)
The Housing and Neighborhood Development Division is one of four divisions within the Economic Development Work Group of the City of Carson. The Housing Division is responsible for the overall management and oversight of the Community Development Block Grant Program (CDBG), the Redevelopment Agency 20% Low and Moderate Housing Fund, the Mobile Home Space Rent Control Ordinance which includes the Mobile Home Rental Review Board, the Housing and Commercial Rehabilitation Program, the First Time Home Buyer Program, and other various housing activities.
Programmatic compliance to all housing and economic activity is a primary objective of the Housing Division; as such staff provides the necessary administrative support to monitor CDBG, Redevelopment, and Mobile Home activities to ensure

amenability to local, state and federal regulation. Staff is also responsible for seeking other funding sources to augment existing and new programs that can aid in the development of new affordable housing and community based services to residents.

City of Compton (NSP1 recipient)
The mission of the City of Compton's Community Redevelopment Agency is to support the City's mission of creating a viable, affluent, self-reliant and safe community by causing the resurgence of Compton's physical, economic, and social development through dynamic growth achieved by commercial, industrial and resid

Consortium Members:

ss.
The Community Redevelopment Agency serves as the economic development arm of the City for rebuilding and generating economic vitality in the community. The overriding objective of the Agency is to implement the Council's policy of fostering growth by utilizing tax increment revenues, in combination with state and federal resources; providing physical and social infrastructure to stimulate growth; and providing gap financing options to attract private investment for retail and residential development, as well as job development, in the community.

City of Inglewood (NSP1 recipient)
The City of Inglewood is engaged in a wide range of programs and activities designed to ensure decent, safe, & affordable housing for the City's residents, including:

- HOME Rehabilitation program which targets very low to low-income senior citizens who are homeowners; this program provides rehab dollars to an aging housing stock in order to bring the properties up to code and installs solar panels for additional energy savings to seniors;
- Community Housing Development Organizations (CHDO) - \$171,005 HOME funds which are mandatory Set-Aside to increase and expand the supply of affordable housing;
- Affordable Housing – Homeowner Assistance program to provide housing, rehabilitation, homebuyers & foreclosure counseling services for 5-10 vey-low, to moderate-income residents with housing related services.

GRID Alternatives
GRID Alternatives was established in 2001 to empower under-resourced communities by providing renewable energy and energy efficiency services, equipment and training. GRID Alternatives works collaboratively with communities, local organizations and municipalities to identify specific needs and to develop renewable energy solutions that are environmentally, socially, and economically sustainable. GRID Alternatives' flagship Solar Affordable Housing Program makes renewable energy available to low-income communities that often lack the capital and other needed resources to implement these technologies. Under this program, GRID Alternatives works with local governments and affordable housing nonprofits to install solar electric systems for both new affordable homes and existing homes of low-income homeowners.

To date GRID Alternatives has installed 230 solar electric systems for low-income families. These systems are reducing each family's electric bills on average by 75%, and will generate over \$3.7 million in clean, renewable energy over the systems' projected life spans. They will also prevent over 11,000 tons of greenhouse gas emissions over the next 30 years, the equivalent of planting over 16,000 trees. GRID Alternatives has also trained over 2,000 community volunteers and job trainees, providing them with opportunities to gain hands-on experience with real-world solar installation projects.

Search to Involve Pilipino Americans (SIPA)
In Historic Filipino town, a densely populated area with a high percentage of residents living below the poverty line, jobs and affordable housing are critical needs in the community. To address these issues, SIPA&sosCmmntEoo

Consortium Members:

ic Development services include affordable family housing projects, small business development programs, and activities related to the continuing facility development of the Temple Gateway Youth & Community Center.
SIPA now offers bilingual (English/Tagalog) foreclosure prevention assistance, consumer credit/mortgage refinancing education, and other key-related financial literacy services. SIPA develops, owns and manages affordable family housing projects for low-income families, averaging production of more than 100 units annually. SIPA also provides acquisition/rehab of residential properties, along with property management services.

Vermont Slauson Economic Development Corporation (VSEDC)
The primary mission of VSEDC is to facilitate community development of the Vermont Slauson area by providing programs structured to revitalize the physical, economic and social life of the community. In order to realize this objective, VSEDC has developed and implemented a comprehensive approach to community economic development that includes business development, technical assistance and training, residential housing, commercial and industrial development. With a history of more than 30 years in the community, VSEDC owns and manages over 180 units of affordable housing, provides acquisition/rehab services to families and extensive construction management services through a community-based network of minority general contractor.

Vermont Village Community Development Corporation (VV-CDC)
Vermont Village Community Development Corporation (VV-CDC) is a community-based organization incorporated in 1995 and headquartered on the grounds of Crenshaw Christian Center in South Los Angeles to carry out the mission of visionary founder Dr. Betty Price. VV-CDC was established to restore, rebuild and repair the community within the Vermont/Manchester corridor in South Los Angeles. Its mission is to expand the opportunities available to residents to obtain adequate affordable rent and safe housing accommodations by rehabilitating existing substandard buildings, constructing new facilities in place of blighted structures or vacant sites, combating deterioration of the community, and contributing to the physical improvement of the community for persons and families of low-income who otherwise would be unable to find or afford a suitable place to live. VVCDC has developed, owned and manages more than 400 units of affordable housing, provides ongoing acquisition/rehab/resale of properties within its target area and ongoing residential and commercial property management services.

Watts Century Latino Organization (WCLO)*
Founded in 1990, the Watts/Century Latino Organization (WCLO) is a non-profit, community-based organization dedicated to supporting the development of healthy neighborhoods and self-sufficient families. Working with public and private sector agencies, WCLO engages in comprehensive community development projects and programs that promote civic action and engagement, community and economic development, education, community safety, cultural awareness, and equity and unity. WCLO works to improve the quality of life for all Wattsareareidentsandto

Consortium Members:

ensure that the special needs of the growing Latino population are addressed.
Serving as HUD certified housing counselors; WCLO assists low- and moderate-income families and individuals who are looking to purchase their first home. The program provides potential first time homebuyers with a comprehensive education and counseling to become conscientious homebuyers.in addition, WCLO provides assistance to troubled homeowners who may be in jeopardy of losing their homes. WCLO's counselors also serve as intermediaries between mortgage lenders and

homeowners by assessing individual cases, and educate and assist homeowners in preparing documents to negotiate a loan modification with their lenders.

WCLO fills a vital role in the community, helping families and individuals to build assets & wealth. For the past 24 months, Watts/Century Latino Organization has provided foreclosure counseling that has assisted over 500 clients. In the past, WCLO submitted and was funded 50 residential rehab home loans to the Community Redevelopment Agency and the Los Angeles Housing Department.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$117,229,999.40
Total Budget	\$0.00	\$117,229,999.40
Total Obligated	\$0.00	\$116,229,999.40
Total Funds Drawdown	\$0.00	\$91,664,535.31
Program Funds Drawdown	\$0.00	\$60,000,000.00
Program Income Drawdown	\$0.00	\$31,664,535.31
Program Income Received	\$0.00	\$35,983,902.54
Total Funds Expended	\$0.00	\$93,592,474.30
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$5,703,832.05

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	\$21,134,505.05
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$6,000,000.00	\$7,447,311.81
Limit on Admin	\$0.00	\$7,447,311.81
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$30,500,000.00	\$18,465,731.86

Overall Progress Narrative:

This report summarized the period 4/1/2018 to 3/31/2019 of NSP2 related activities. During the period, NHS continued redevelopment project activities in Sylmar, Compton, and Los Angeles. The completion of the Alondra Project was a primary focus and required a significant amount of staff time to facilitate the construction manager role and to help ensure that leveraged funds were utilized to help complete construction. By quarter end, the Phase 1 construction had received a Certificate of Occupancy and 7 clients were in escrow. The other redevelopment projects have been in varying phases of development. In Sylmar, NHS has been awaiting the City of LA' approval on granting the adjacent land to help facilitate the build out of 53 affordable homeownership units. In Los Angeles, NHS applied for (on its Broadway & Manchester project -- 122 units)and was awaiting receipt of award notification of Cap & Trade funding from the State of California. This leveraging would significantly assist in the project going under construction sometime in 2019. In Compton, several more properties were in the development phase and will use leveraged dollars to help construct and initiate their buildout during 2020-2021 (79 units). The lending and education teams at NHS held more than 40 homebuyer workshops, project interest nights and Home Matters events to help promote and facilitate prequalifications, counseling, homebuyer education and potential buyer counseling. From the Interest Nights alone, more than 2,000 families received information and counseling regarding affordable home purchase. The Alondra Project received more than 1,700 families expressing interest for the affordable units in the city of Compton. Utilizing the Neighborhood LIFT program and Project Reinvest support, along with conventional financing and City of Compton funding, NHS will be able to offer extensive downpayment and closing cost assistance to income eligible buyers of the Alondra Project. NHS maintained several affordable rental units that offered low cost housing to low-income families (3 units). NHS received lending capital grant support during the period of more than \$9.9MM to help offer downpayment and closing cost assistance to low to moderate income buyers. Overall,

NHS made significant progress toward managing NSP inventory, leveraging funds (\$4,127,673 NHS, \$11,303,000 private) to continue project development and facilitating homebuyer counseling and interest to help make the program successful.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01 - Admin., Administration	\$0.00	\$9,000,000.00	\$5,252,934.49
02 - Eligible Use A, Financing Mechanisms (Use A)	\$0.00	\$11,855,640.00	\$3,365,400.00
03 - Eligible Use B, Purchase and Rehabilitation (Use B)	\$0.00	\$89,000,000.00	\$51,381,665.51
04 Eligible Use E, Redevelop Demolished or Vacant	\$0.00	\$12,000,000.00	\$0.00

