Grantee: Long Beach, CA

Grant: B-09-CN-CA-0045

October 1, 2021 thru December 31, 2021

Grant Number:
B-09-CN-CA-0045

Obligation Date:

Award Date:
02/11/2010

Grantee Name:
Long Beach, CA

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$22,249,980.00

Grant Status:
Closed with Ongoing Reporting

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$22,249,980.00

Estimated PI/RL Funds:
$7,907,427.97

Total Budget:
$30,157,407.97

Disasters:

Declaration Number

No Disasters Found

Narratives

Executive Summary:

Program Summary The grant agreement was fully executed and sent to HUD on April, 2, 2010. The grant was unlocked by HUD in April 21, 2010. The City has been conducting an extensive public outreach to the community, Realtors and Lenders about the NSP2 Second Mortgage Assistance program. The City's Consortium Agreement with Habitat Greater Los Angles was executed on April 2, 2010. 1. Overview The Neighborhood Stabilization Program 2 (NSP2) is one of the initiatives of the American Recovery and Reinvestment Act of 2009 (ARRA). The program was modeled after the Neighborhood Stabilization Program &ndash 1 (NSP1) created under the Housing and Economic Recovery Act of 2008 (HERA). Under NSP - 1, the City of Long Beach was allocated $5.07 million funds from U.S. Department of Housing and Urban Development (HUD) in order to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes, stabilize neighborhoods, and stem the decline of house values of neighboring homes. The City Council approved the plan for the use of NSP1 funds at their November 18, 2008 City Council meeting. Soon afterward, the Department of Community Development began implementing the program. Properties in foreclosure continue to be a problem across the country, prompting the U.S. Congress to add the Neighborhood Stabilization Program 2 (NSP2) to the American Recovery and Reinvestment Act of 2009. NSP2 is a competitive grant program rather than an entitlement program. NSP2 regulations are virtually identical to NSP1 with few exceptions. 2. Application Process The City of Long Beach Department of Community Development, as the lead, and its partner, Habitat for Humanity Greater Los Angeles (Habitat), a non-profit full service developer, herein collaborate with and Implement the NSP2 Program. The central foundation of this joint effort has overarching goals: creating affordability and increasing homeownership in highly affected targeted neighborhoods, mitigate negative effects of foreclosure like blight and decline of housing values, and revitalize and reconnect targeted neighborhoods to higher level and sustainable economy and housing market. 3. Proposed Use of NSP2 Funds The City and Habitat will use NSP2 funds in the areas of greatest need, including those with the greatest percentage of home foreclosures,with the highest percentage of homes financed by sub-prime mortgage loans, and those areas identified by the City, through its thorough and comprehensive housing and economic data analysis, as areas likely to face a significant rise in the rate of home foreclosure. The City NSP2 proposal is focused on returning foreclosed properties back into the hands of qualified owners who will restore these properties and in so doing increase the livability of area neighborhoods. While implementing NSP1, the City has observed that there is a very active speculative industry in which investors are seeking to acquire and hold REO properties until the market improves. In areas of high-foreclosure concentrations, excessive speculative purchases will greatly prolong the cycle of disinvestment for years to come as these investors hold properties, make minimum or no investment, and cause further neighborhood decline. This is a looming problem that must be addressed innovatively with the proposed NSP2 programs. It isthe City&rsquos goal to intervene and prevent neighborhood destabilization byaggressively competing in the REO market. We will seek t

Executive Summary:

o divert a significant share of resold REOs to first time homeowners, who will serve to stabilize their communities. The City will be implementing this strategy in several ways, including direct acquisition and disposition of REOs by Habitat and through direct affordable financial assistance to prospective homebuyers to acquire and/or rehabilitate the properties. Through this strategy, the City will help stabilize high-foreclosure areas, arrest the decline housing values, and reconnecting targeted n

Target Geography:

Target Geography:
We have studied and selected 28 of the most distressed census tracts within the City based on NSP 2 scores (average of 18 overall), foreclosure activity, lending trends, default risks, housing and other neighborhood socio-economic conditions. These census tracts are located within four major areas referred to as West Long Beach, Central Long Beach, East Long Beach, and North Long Beach neighborhoods. Although the conditions vary, all areas exhibit common elements of distress and an

urgent need to address the foreclosure crisis. In addition, the City has long monitored the citywide housing conditions and affordability under NSP 1, other existing housing programs, community redevelopment activities, and via the Vacant Building Ordinance. We are therefore confident that the requested NSP 2 funds combined with our existing affordable housing resources will best serve to stabilize the target tracts selected for this program.

Program Approach:

4. Program Design
The City and Habitat will establish NSP2 funded programs that fully comply with the eligibility requirement. The proposed NSP2 funded programs will be fully implemented by the Community Development Department and Habitat according to HERA, Community Development Block Grant (CDBG) and all other applicable federal rules and regulations. In addition, proposed activities will target eligible City residents that are: 1) in the income bracket of 51 to 120 percent area median income and 2) 25 percent of the funds will also fully be deep targeted to eligible residents at or below 50 percent of the area median income. NSP2 funds will be used by the City and Habitat to undertake the following two primary activities and administration:

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- Establish financing mechanisms to purchase and redevelop foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserve, and shared-equity loans for low- and moderate-income homebuyers.

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- The City will provide silent second mortgage assistance loans to low- and moderate-income first-time homebuyers who purchase a qualified single-family or condominium home in an eligible area.

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- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

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- Habitat will rehabilitate foreclosed and REO properties into affordable homes for purchases by low and very-low income families.

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- The City will also acquire and rehabilitate forcelosed and REO properties into affordable homes for purchases by moderate and middle income families.

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Consortium Members:

CITY OF LONG BEACH, a California municipal corporation, and HABITAT FOR HUMANITY OF GREATER LOS ANGELES, a California nonprofit corporation (collectively, the Consortium Members).

How to Get Additional Information:

Alem S. Hagos
Program Manager
City of Long Beach
Alem.hagos@longbeach.gov
562/570-7403
100 W. Broadway, Suite 550
Long Beach, CA 90802

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$31,782,332.77
Total Budget	$0.00	$30,157,407.97
Total Obligated	$0.00	$29,249,637.36
Total Funds Drawdown	$0.00	$29,146,000.63
Program Funds Drawdown	$0.00	$22,249,980.00
Program Income Drawdown	$0.00	$6,896,020.63
Program Income Received	$0.00	$8,679,967.14
Total Funds Expended	$0.00	$29,530,526.70
HUD Identified Most Impacted and Distressed	$0.00	$0.00
Other Funds	$ 0.00	$ 1,624,924.80
Match Funds	$ 0.00	$ 1,624,924.80
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
City of Long Beach	$ 0.00	$ 17,872,008.68
Habitat for Humanity Greater Los Angeles	$ 0.00	$ 11,658,518.02

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.00%	.00%	.00%
Minimum Non Federal Match	$.00	$.00	$1,624,924.80
Overall Benefit Amount	$26,870,250.60	$.00	$.00
Limit on Public Services	$.00	$.00	$.00
Limit on Admin/Planning	$2,224,998.00	$3,015,740.70	$2,909,289.95
Limit on Admin	$.00	$3,015,740.70	$2,909,289.95
Most Impacted and Distressed	$.00	$.00	$.00
Progress towards LH25 Requirement	$7,539,351.99		$11,937,936.09

Overall Progress Narrative:

No expenses were accrued during the reporting period.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
Project - A, Second Mortgage Assistance Program (SMAP2)	$0.00	$14,269,519.87	$13,881,666.01
Project - B, Habitat model	$0.00	$12,439,829.00	$5,541,440.62
Project - C, Administration	$0.00	$3,015,740.70	$2,576,704.17
Project - D, Acquisition/Rehab/Resale	$0.00	$432,318.40	$250,169.20
Project - P, NSP2 Program Income Waiver	$0.00	$0.00	$0.00