

Grantee: New York City, NY

Grant: B-08-MN-36-0103

April 1, 2012 thru June 30, 2012 Performance Report



Grant Number:

B-08-MN-36-0103

Obligation Date:**Award Date:****Grantee Name:**

New York City, NY

Contract End Date:

04/03/2013

Review by HUD:

Reviewed and Approved

Grant Amount:

\$24,257,740.00

Grant Status:

Active

QPR Contact:

Evan Seiler

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$24,257,740.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Areas of Greatest Need:

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.

Distribution and Uses of Funds:

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.

Definitions and Descriptions:**Low Income Targeting:****Acquisition and Relocation:****Public Comment:**

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$23,818,912.00
Total Budget	\$0.00	\$23,818,912.00
Total Obligated	\$0.00	\$23,194,422.00
Total Funds Drawdown	\$0.00	\$21,691,894.75
Program Funds Drawdown	\$0.00	\$21,691,894.75
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$379,738.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
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	\$164,504.00
Limit on State Admin	\$0.00	\$164,504.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,064,435.00	\$5,625,607.00

Overall Progress Narrative:

In the second quarter of 2012, one NSP1 funded development closed, Cypress Village. This new construction development will have all of its allocated NSP1 funds expended in the months after closing, which occurred in June, 2012. The NSP1 funds, approximately \$1.15million, will be drawn down as expenditures occur and backup documentation is reviewed by HPD staff. NSP1 funds will support 5 units in this development which are each slated as affordable to households with incomes at or below 50% of area median income.

1070 Washington saw a great deal of progress, and it had a closing in Q2 2012. The development was funded by \$1,063,318 of NSP1 funds in addition to other funding sources. When completed, the 1070 Washington development will create 49 units of affordable housing. NSP1 funds will support five of these units, and each unit will be affordable to households with incomes at or below 50% of area median income. Future quarterly reports will speak to construction progress and update NSP1 expenditures in support of this development.

REO Program

As of the end of Q2 2012, Restored Homes had acquired 88 properties for rehab. Thirty-one properties have completed construction. Twenty-three properties are in punch list. Fifteen properties are in construction. Ten properties are in predevelopment. Nine of the 88 homes have sold to eligible homeowners. One of these sales occurred in Q1 2012.

Of the unsold portfolio of 79 homes that REO Homes have acquired out of foreclosure, 14 properties have executed



contracts, and 13 properties have contract offers out to interested buyers. In the REO Program, the NSP1 funds spent to date are \$13,594,905.21. This includes \$1,279,275.70 in New York State HFA NSP1 funds sub-granted to HPD. \$16,695,990.16 in private funds has been leveraged to-date.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001-002, Neighborhood Homes	\$0.00	\$818,544.00	\$818,544.00
ADMIN - 001, ADMIN	\$0.00	\$521,100.00	\$164,504.00
Own Aban - 001, Owner-Abandoned Multifamily Property Strategy	\$0.00	\$5,245,891.00	\$3,036,641.75
REO - 001, Real Estate Owned (REO) Strategy	\$0.00	\$17,672,205.00	\$17,672,205.00



Activities

Grantee Activity Number:	REO - 001
Activity Title:	Real Estate Owned (REO) Strategy-Loan Loss Reserve

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

REO - 001

Projected Start Date:

05/15/2009

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Real Estate Owned (REO) Strategy

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

Restoring Urban Neighborhoods, LLC

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$9,796,068.00
Total Budget	\$0.00	\$9,796,068.00
Total Obligated	\$0.00	\$9,796,068.00
Total Funds Drawdown	\$0.00	\$9,796,068.00
Program Funds Drawdown	\$0.00	\$9,796,068.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
NYCHPD	\$0.00	\$0.00
Restoring Urban Neighborhoods, LLC	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Real Estate Owned (REO) Strategy- 75% of NSP funds will partially fund a credit facility established to facilitate acquisition and rehabilitation of REO homes by nonprofit organizations with HPD oversight. Homes will be resold as affordable housing to families earning up to 120% of Area Median Income (AMI).

Location Description:

REO properties will be concentrated in the top 13 neighborhoods that have demonstrated the highest number of foreclosure auction listings resulting from mortgage and tax liens for residential properties in New York City (Bronx, Brooklyn, Queens and Staten Island).

Activity Progress Narrative:

As of the end of Q2 2012, Restored Homes had acquired 88 properties for rehab. Thirty-one properties have completed construction. Twenty-three properties are in punch list. Fifteen properties are in construction. Ten properties are in predevelopment. Nine of the 88 homes have sold to eligible homeowners. One of these sales occurred in Q1 2012. Of the unsold portfolio of 79 homes that REO Homes have acquired out of foreclosure, 14 properties have executed contracts, and 13 properties have contract offers out to interested buyers. In the REO Program, the NSP1 funds spent to date are \$13,594,905.21. This includes \$1,279,275.70 in New York State HFA NSP1 funds sub-granted to HPD. \$16,695,990.16 in



private funds has been leveraged to-date.

This quarter, one home sold to qualified homebuyers bringing the total to date to nine:

87-84 94th Street, Queens, 11421 (Woodhaven)

This is a 2-family home.

This owner household has a multi-racial, female head of household.

The homeowner household has a moderate income.

There is one rental unit associated with this property. As of this filing, there is not yet demographic information about this unit's tenant's demographics.

This quarter, Restored Homes acquired four REO properties:

1. 140-02 Linden Boulevard, Queen, 11436 (Jamaica)
2. 119-66 178th Place, Queens, 11434, (Jamaica)
3. 115-35 146th Street, Queens, 11436, (Jamaica)
4. 3557 Holland Avenue, Bronx, 10467

Accomplishments Performance Measures

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

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

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	0/0	0/0	0

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	



Grantee Activity Number: Vacant Prop - 001
Activity Title: Vacant Site Redevelopment: Cypress Village - LH25

Activity Category:

Construction of new housing

Project Number:

Own Aban - 001

Projected Start Date:

09/15/2010

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Owner-Abandoned Multifamily Property Strategy

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

Cypress Hills LDC

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$1,145,931.00
Total Budget	\$0.00	\$1,145,931.00
Total Obligated	\$0.00	\$1,145,931.25
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Cypress Hills LDC	\$0.00	\$0.00
NYCHPD	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

On November 16, 2010 HPD received a "Notice of Noncompliance of Obligation" letter from the HUD field office. The Grattan St project was found to be ineligible for obligation compliance because the foreclosure auction had yet to occur. As a cure, HPD suggested obligating the funds originally dedicated to the Grattan St project for the Cypress Village project, which was already an approved NSP I activity. HUD responded affirmatively to this suggested course of action and the \$345,931.25 that was intended for Grattan St will be used in Cypress Village. HPD issued a notice terminating the NSP Loan Agreement with the sponsor and is executing an amendment to the NSP Loan Agreement with the Cypress Village sponsor to reflect the increase in funds. The original activity description is below.

Cypress Homes HDFC Development Corporation expects to acquire and develop three vacant non-contiguous City-owned lots in the East New York section of Brooklyn, New York into twenty-nine apartments — twelve in the first building, nine in the second, and eight in the third. The apartments will provide safe, energy-efficient, and affordable housing to low-income families. The 23 two-bedroom and 6 three-bedroom rental units will be affordable to families earning between 40% and 60% of AMI. Eight two-bedroom will be the NSP-designated units and will conform to applicable low-income set-aside restrictions.

The total development cost for the project is expected to be approximately \$10 million, and is expected to be funded by HOME and NSP funds from HPD, Reso A capital funds, and grants from State Senator Martin Dilan, La Raza Development Fund (RDF), TD Bank, Home Depot Foundation, Enterprise Green Communities, and Local Initiatives Support Corporation (LISC) green grants. In addition, CHLDC applied to HPD for a 9% Low Income Housing Tax Credit (LIHTC) allocation of approximately \$725,000 — awards will be announced in late September. Construction financing will be supplied by the Community Preservation Corporation (CPC) and National Equity Fund (NEF) will serve as our syndicator.

In addition, Cypress Village is our greenest project. The project meets and, in some cases, exceeds, NYSERDA's multi-family performance program standards. The sustainable features in the project include: blown-in insulation, Energy Star windows, optimally efficient heating and cooling systems, water-saving fixtures such as dual-flush toilets, as well as recycled-



content tiles and countertops and bamboo floors. This would reduce the operating costs of the building, ensuring ongoing affordability for its tenants.

Location Description:

Site 1: 371 Van Siclen Ave, Brooklyn, NY
 Site 2: 525 Linwood St, Brooklyn, NY
 Site 3: 315 Jerome St, Brooklyn, NY

With the exception of the 315 Jerome St site, the sites are all undeveloped, vacant properties that are currently fenced in. The East New York neighborhood has historically had many underdeveloped properties but neighborhood conditions have improved slowly over the last several decades with subsidized affordable housing.

371 Van Siclen Ave is a rectangular-shaped lot on the east side of Van Siclen Avenue between Belmont and Sutter Avenues. The site is generally level at grade and improved with all available public utilities including city sewers. The northern, southern, eastern, and western portions of the block are occupied primarily by residential uses including mainly three-and four-story attached single-family and multi-family residential buildings. In addition, the northern portion of the block contains a church. Van Siclen Avenue is a one-way, northbound thoroughfare carrying light to medium vehicular traffic. The street is improved with an asphalt surface, concrete sidewalks and curbs. On-street, alternate side street parking is permitted.

315 Jerome Street is a rectangular-shaped lot on the east side of Jerome Street between Glenmore and Pitkin Avenues. The site has a two-story concrete block building which has been abandoned for years. CHLDC will demolish the building upon obtaining the permit. Demolition is expected to be done by December, 2009. The site is generally level at grade and improved with all available public utilities including city sewers. The northern, southern, eastern, and western portions of the block are occupied primarily by residential uses including mainly three-and four-story attached single-family and multi-family residential buildings. In addition, the northern part contains some retail establishments including grocery stores. Jerome Street is a one-way, northbound thoroughfare carrying light vehicular traffic. The street is improved with an asphalt surface, concrete sidewalks and curbs. On-street, alternate side street parking is permitted.

525 Linwood Street is a rectangular-shaped lot on the southeast corner of Linwood Street and Belmont Avenue. The site is generally level at grade and improved with all available public utilities including city sewers. The northern, southern, eastern, and western portions of the block are occupied primarily by residential uses including mainly three-and four-story attached single-family and multi-family residential buildings. In addition, the northern portion of the block contains some commercial establishments; the southern portion of the block contains some retail stores, parking lots, and the 75th police precinct. Linwood Street is a one-way, southbound thoroughfare carrying light vehicular traffic and Belmont Avenue is an eastbound street with light vehicular traffic. The street is improved with an asphalt surface, concrete and crushed stone sidewalks and concrete curbs. On-street, alternate side street parking is permitted.

Currently, these sites are used as illegal dumping grounds and destinations for youth to congregate and loiter. In the absence of this project, these lots would continue to remain vacant and underutilized. These properties would not only be an eye sore, but a potential health hazard and devalue the neighborhood. The proposed project would not only fulfill affordable housing needs but also promote area revitalization.

Activity Progress Narrative:

This development had a financial closing in Q2 2012 and construction just started as of the end of June 2012. In addition to external sources, the Cypress Village development is funded by NSP1 funds as well as NSP3 funds. The NSP3 funds are part of the NSP3 allocation to New York State and HPD is a subrecipient of a portion of that funding. These funds will be reported in New York State's NSP3 QPR as expenditures are documented. NSP1 and NSP3 funds are slated to be the first expenditures related to this development's construction, and it is anticipated that both funding sources will be fully expended by the end of Q3 2012.

Accomplishments Performance Measures

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

	This Report Period	Cumulative Actual Total / Expected
	Total	Total



of Housing Units

0

0/29

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/29	0/0	0/29	0

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



Grantee Activity Number:	Vacant Prop - 003
Activity Title:	Vacant Site Redevelopment: 1070 Washington - LH25

Activity Category:

Construction of new housing

Project Number:

Own Aban - 001

Projected Start Date:

02/02/2012

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Owner-Abandoned Multifamily Property Strategy

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

NYCHPD

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$1,063,318.00
Total Budget	\$0.00	\$1,063,318.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
NYCHPD	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

La Preciosa (the prospective building name) is located at 1070 Washington Avenue in the Morrisania community of the Bronx. The site consists of a vacant privately-owned parcel comprising approximately 12,618 square feet. 1070 Washington will consist of both 27 non-public housing units, 21 public housing units and one superintendent's unit, for a total of 49 residential units. Twenty-seven (27) units will be rented to low-income households earning at or below 60% of AMI, consisting of sixteen (16) studios, six (6) 1-BRs and five (5) 2-BR apartments. Twenty percent of the entire project units or ten (10) of the studio units will be rented to homeless households earning at or below 40% of AMI but will be underwritten at 60% AMI. NSP1 funds will support one (1) unit which will be counted as part of the NSP1 grant's 25% set aside for 50% AMI units.

Location Description:

The development will be constructed on currently vacant land, which is located at 1070 Washington Avenue in the Morrisania community of the Bronx. This is an area of greatest need in NYC for NSP1 purposes. The neighborhood is largely residential.

Activity Progress Narrative:

1070 Washington saw a great deal of progress, and it had a closing in Q2 2012. 1070 Washington was funded by \$1,063,318 of NSP1 funds. When completed, the 1070 Washington development will create 49 units of affordable housing. NSP1 funds will support five of these units, and each unit will be affordable to households with incomes at or below 50% of area median income. Future quarterly reports will speak to construction progress and update NSP1 expenditures in support of this development.

QPR Note - after this QPR is approved, we will be updating the action plan for NSP1 to show the total amount of NSP 1 funds supporting this activity to be \$1,063,318. We did not want to make this amendment and it get in the way of our being able to submit the QPR on time. No funds have been drawn from DRGR in related to this activity and will not be until we have action



plan approval from HUD.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

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

