

Grantee: New York City, NY

Grant: B-11-MN-36-0103

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-MN-36-0103

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

New York City, NY

Contract End Date:**Review by HUD:**

Reviewed and Approved

LOCCS Authorized Amount:

\$9,787,803.00

Grant Status:

Active

QPR Contact:

Evan Seiler

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$9,787,803.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The Ely Avenue project was initially conceptualized in 2006 to build ten two-family homes in the Baychester neighborhood of the Bronx. The construction began on schedule and continued until the project was 75% built. The Ely Avenue project will be carried out under NSP Eligible Use B: Acquisition and Rehabilitation and CDBG Activity Sec. 570.201(a) Acquisition. A new developer, using a combination of \$1,500,000 of NSP3 funds, a private mortgage and equity would acquire the project and complete the remaining construction. Upon completion, all 20 units would be rented to low, moderate and middle-income individuals and families at, or below 120% of the area median income (AMI).

The Kelly Street 25% project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$3,200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

The Kelly Street LMMI project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

The project located at 1520 Sedgwick Avenue is a 102 unit building in the Morris Heights neighborhood of the Bronx. This building was originally part of the Mitchell-Lama program, which provides affordable rental housing to moderate- and middle-income households. The building is also historically significant, in that it is widely recognized as a pivotal location in the birth of the global Hip Hop musical and cultural movement. Morris Heights is a neighborhood located in the western portion of the Bronx and is part of Bronx Community Board 5.

In the recent past, the property was acquired by a speculative real estate investor who quickly ran into financial trouble. As the owner's financial troubles mounted, building repairs and routine maintenance went undone. As a result of this neglect, the property began showing signs of rapid physical decline. Eventually, this owner defaulted on the mortgage and the lending institution began foreclosure proceedings. Physical conditions have continued to decline to the detriment of the building's tenants.

WFH Advisors will acquire the property through the foreclosure process using a variety of funding sources including NSP3. Once acquired, WFH Advisors will make the repairs necessary to return the buildings to safe, sanitary conditions. To ensure the long term affordability of the project, the new owner will enter into a regulatory agreement with HPD, which mandates that the building remain affordable

Summary of Distribution and Uses of NSP Funds:

to households earning 120% of AMI or less for minimum period of thirty years.

Administration activities will be carried out in the delivery of activities 1-3 in the areas of greatest need as identified in substantial amendment.

How Fund Use Addresses Market Conditions:

The City focused on identifying projects city-wide that would contribute significantly to neighborhood stabilization. To date many New York City residents have experienced significant negative effects due to high levels of foreclosure in multifamily properties that were previously purchased by speculative interests or predatory equity.

To address this particular manifestation of the foreclosure crisis, three multifamily projects in financial and in some cases physical distress have been selected. Both the Sedgwick and Kelly Street projects are multifamily projects in foreclosure. The three multifamily projects selected will create rental units to benefit low income individuals and families. The areas in which the projects are located consist primarily of



households at lower income levels for which a homeownership strategy may not be feasible. These projects would create affordable, safe housing options for such households.

Ensuring Continued Affordability:

Long-Term Affordability in a NSP-funded, multifamily rental, rehabilitation project is defined as rents affordable, as describe above, for a minimum term of thirty (30) years. Any homeownership projects would be affordable in accordance with 24 CFR 92.254.

Definition of Blighted Structure:

Blighted Structure or "blight" is not actually defined in the context of state or local law. However, "substandard or insanitary area" is defined in General Municipal Law Section 502.4 (GML Article 15, the Urban Renewal Law) as equivalent to a blighted area as follows:

The term "substandard or insanitary area" shall mean and be interchangeable with a slum, blighted, deteriorated or deteriorating area, or an area which a blighting influence on the surrounding area.

Definition of Affordable Rents:

For rental units, "affordable rents" are defined for NSP funded projects as rents (not including utilities) paid by tenants, not exceeding 30% of the prescribed income maximum, which shall range from 30% to 120% of AMI.

Housing Rehabilitation/New Construction Standards:

New York City, acting through its Department of Housing Preservation and Development (HPD), has instituted a uniform green building policy to ensure the City's investments in affordable housing are going towards buildings that have deeper affordability through lowered utility bills and healthier living environments, while balancing maximum benefit to tenants and owners with low incremental upfront costs.

New construction projects and substantial rehabilitation projects receiving funding from HPD will be required to achieve certification with Enterprise Green Communities. The Green Communities criteria is the only comprehensive green building framework designed for affordable housing and provides proven, cost-effective standards for creating healthy and energy-efficient homes.

All rehabilitation projects, including moderate rehabs, will continue to follow the HPD's Standard Specifications Document which has been updated to integrate green elements.

It is important to note that where, if at all, the Enterprise Green Communities criteria or the HPD Standard Specifications Document contradict the HUD requirements for Housing Rehabilitation Standards, the HUD requirements shall be controlling.

HPD's Standard Specifications Document may be found at:<http://www.nyc.gov/html/hpd/html/architects/specifications.shtml>

Information regarding the Enterprise Green Communities certification can be found

at: http://www.greencommunitiesonline.org/tools/certification/nyc_hpd_certification.asp

Vicinity Hiring:

All project developers will follow community development assistance thresholds per 24 CFR 135.3(a)(3)(ii). HPD will oversee that, when faced with a choice between a qualified contractor/developer/job applicant located in the Project Area and a qualified contractor/developer/job applicant from outside the vicinity area, ("vicinity" is defined for NSP 3 purposes as the target area or area of greatest need), developers and contractors will, to the maximum extent feasible, hire employees who resided in the vicinity of the NSP 3 projects. As HUD makes the vicinity hiring toolkit and other resources available, HPD will turn to such materials for guidance.

Procedures for Preferences for Affordable Rental Dev.:

All activities carried out under the NSP3 grant will be for developing affordable rental units.

Grantee Contact Information:

Evan Seiler
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100 Gold Street, 9-A3c
New York, NY 10038
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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$9,787,803.00
Total Budget	\$0.00	\$9,787,803.00
Total Obligated	\$1,500,000.00	\$5,204,846.50



Total Funds Drawdown	\$1,500,000.00	\$5,204,846.50
Program Funds Drawdown	\$1,500,000.00	\$5,204,846.50
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$55,397.37	\$9,787,803.00
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	\$1,468,170.45	\$0.00
Limit on Admin/Planning	\$978,780.30	\$304,846.50
Limit on State Admin	\$0.00	\$304,846.50

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$978,780.30	\$387,803.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,446,950.75	\$3,200,000.00

Overall Progress Narrative:

Expenditures through March 10th, 2014 have been amended. All non-Admin activities have been fully expended prior to this QPR. Updates in this QPR relate solely to Administration funds that have been expended prior to the 100% spending deadline. All funds have been drawn and any remaining beneficiary data will be provided when it is available.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Ely Avenue	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00
2, Kelly Street LH25	\$0.00	\$3,200,000.00	\$3,200,000.00
3, Kelly Street LMMI	\$0.00	\$200,000.00	\$200,000.00
4, 1520 Sedgwick Ave	\$0.00	\$4,500,000.00	\$0.00
5, Administration	\$0.00	\$387,803.00	\$304,846.50



Activities

Project # / Title: 1 / Ely Avenue

Grantee Activity Number: 4

Activity Title: Ely Avenue LMMI

Activity Category:

Acquisition - general

Project Number:

1

Projected Start Date:

06/15/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Ely Avenue

Projected End Date:

03/11/2013

Completed Activity Actual End Date:

Responsible Organization:

NYCHPD

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$1,500,000.00

Total Budget

\$0.00

\$1,500,000.00

Total Obligated

\$1,500,000.00

\$1,500,000.00

Total Funds Drawdown

\$1,500,000.00

\$1,500,000.00

Program Funds Drawdown

\$1,500,000.00

\$1,500,000.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$1,500,000.00

NYCHPD

\$0.00

\$1,500,000.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The Ely Avenue project was initially conceptualized in 2006 to build ten two-family homes in the Baychester neighborhood of the Bronx. The construction began on schedule and continued until the project was 75% built. The Ely Avenue project will be carried out under NSP Eligible Use B: Acquisition and Rehabilitation and CDBG Activity Sec. 570.201(a) Acquisition. A new developer, using a combination of \$1,500,000 of NSP3 funds, a private mortgage and equity would acquire the project and complete the remaining construction. Upon completion, all 20 units would be rented to low, moderate and middle-income individuals and families at, or below 120% of the area median income (AMI).

Location Description:

Ely Ave sites are located in census tract 0462.02 in the Laconia neighborhood in the Northeastern section of the Bronx. This tract has an NSP3 need score of 19, whereas the statewide minimum is 16. This score is driven by an estimated mortgage delinquency rate of over 17%. The addresses are as follows:
2901-2919 (10 addresses) Ely Avenue, Bronx NY 10469.



Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	10/10

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	

Project # / Title: 5 / Administration

Grantee Activity Number: 5
Activity Title: Administration

Activity Category:

Administration

Project Number:

5

Projected Start Date:

03/15/2011

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/15/2014

Completed Activity Actual End Date:

Responsible Organization:

NYCHPD



Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$387,803.00
Total Budget	\$0.00	\$387,803.00
Total Obligated	\$0.00	\$304,846.50
Total Funds Drawdown	\$0.00	\$304,846.50
Program Funds Drawdown	\$0.00	\$304,846.50
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$55,397.37	\$387,803.00
NYCHPD	\$55,397.37	\$387,803.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Administration activities will be carried out in the delivery of activities 1-4 in the areas of greatest need as identified in substantial amendment.

Location Description:

100 Gold St, NY NY 10038

Activity Progress Narrative:

Funds reported as expended this quarter are summarized as follows and total to \$55,397.37:

\$23,434.70 - expenditures made on administration costs in Q1 2014 through March 10, 2014.

\$30,546.12 - expenditures made in Q1/Q2 2013 that were originally planned as NSP2 admin costs related to an NSP2 subrecipient, the New York Mortgage Coalition's project management and were to be funded by excess NSP2 proceeds that exit as a result of NSP2 program income. Rather than fund these costs with this additional NSP2 funds, they have been funded with NSP3 grant proceeds.

\$1,416.55 - expenditures made on program administration that were expended in Q2 2013 and was not yet deemed expended in any NSP round QPR. These funds were originally slated to be expended in connection with excess NSP2 funds as a result of program income that NSP2 has received, but it will instead be funded using NSP3 administration funds.

In total, NSP3 has allocated \$387,803 in administration funds out of a total NSP3 grant of \$9,787,803 or just less than 4% of the grant total.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	County	State	Zip	Status / Accept
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Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	0	0
Monitoring Visits	0	0
Audit Visits	0	0
Technical Assistance Visits	0	18
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	0

