

Grantee: New York City, NY

Grant: B-08-MN-36-0103

January 1, 2011 thru March 31, 2011 Performance Report

Grant Number:

B-08-MN-36-0103

Obligation Date:**Grantee Name:**

New York City, NY

Award Date:**Grant Amount:**

\$24,257,740.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Lindsay Haddix

Disasters:**Declaration Number**

NSP

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 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	\$24,257,740.00
Total CDBG Program Funds Budgeted	N/A	\$24,257,740.00
Program Funds Drawdown	\$2,821,307.07	\$20,708,846.75
Program Funds Obligated	\$0.00	\$24,257,740.00
Program Funds Expended	\$0.00	\$215,234.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

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

Overall Progress Narrative:

This quarter, the following additional properties were acquired through the REO strategy:

>107-57 154th St, Jamaica, Queens

>108-32 169th Pl, Jamaica, Queens

>150-79 116th Rd, Jamaica, Queens

>87 Blackford Ave, North Shore, Staten Island

• To date, 66 homes (94 housing units) have been acquired with 3 more expected in FY 2011

>• 13 homes have completed construction; end purchase contracts are pending execution on 12 homes; first closings should happen June 2011

>• 22 homes are under currently under construction (29 units); 31 additional homes should begin rehab within 30 days

Regarding the Cypress Village project, environmental review has been completed and we hope to close this Fiscal Year (by June 30, 2011).

Regarding the Dean Atlantic/Neighborhood Homes project, environmental review is progressing and we hope to close this Fiscal Year (by June 30, 2011.)

Regarding the Ocelot project, rehab work is underway.

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	\$1,881,862.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
ADMIN - 001, ADMIN	\$0.00	\$521,100.00	\$0.00
Own Aban - 001, Owner-Abandoned Multifamily Property Strategy	\$2,821,307.07	\$4,182,573.00	\$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: Own Aban - 003

Activity Title: 170 Grattan St. 7A

Activity Category:

Acquisition - general

Project Number:

Own Aban - 001

Projected Start Date:

11/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Cancelled

Project Title:

Owner-Abandoned Multifamily Property Strategy

Projected End Date:

11/01/2011

Completed Activity Actual End Date:

Responsible Organization:

Brooklyn Neighborhood HDFC

Overall	Jan 1 thru Mar 31, 2011	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	(\$345,931.25)	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

On November 16, On November 16, 2010 HPD received a "Notice of Noncompliance of Obligation" letter 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.

Brooklyn Neighborhood HDFC requests support from HPD's Neighborhood Stabilization Program (NSP) to finance the acquisition of 140 Grattan Street, an occupied eight-unit multifamily building located in Brooklyn, NY Community Board #1. St. Nicks Alliance is the sole and controlling member of Brooklyn Neighborhood HDFC. St. Nicks Alliance of Brooklyn, NY has been the court-appointed managing agent since late 2005 when the property was abandoned by the owner, and emergency repairs were conducted under HPD's 7A Program. In 2008, the lender, Morequity, Inc., filed a foreclosure action against the owner, Latanya Foster. St. Nicks seeks to utilize the NSP funds to acquire the property at foreclosure and maintain the property as affordable housing.

Currently, seven of the eight units in the building are eligible for NSP funding based upon the HERA Low-Income Set-Aside requirement. NSP funds could be committed towards acquisition of these seven units resulting in 87.5% of the acquisition costs being funded by NSP and 12.5% of the cost must be covered through other sources.

Location Description:

140 Grattan Street is an occupied 8-unit multifamily property located in Brooklyn, NY Community Board #1.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Persons	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: Own Aban - 004

Activity Title: Ocelot

Activity Category:

Acquisition - general

Project Number:

Own Aban - 001

Projected Start Date:

08/15/2010

Benefit Type:

Direct Benefit (Households)

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:

OLR LBCE, LP

Overall

Jan 1 thru Mar 31, 2011

To Date

Total Projected Budget from All Sources	N/A	\$2,821,307.07
Total CDBG Program Funds Budgeted	N/A	\$2,821,307.07
Program Funds Drawdown	\$2,821,307.07	\$2,821,307.07
Program Funds Obligated	\$0.00	\$2,821,307.07
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

OLR LBCE, LP requests HPD NSP I funds to purchase a cluster of four foreclosed properties in the Bronx, New York. These properties were previously owned by Ocelot Capital Group (OCG), an investment firm who purchased the buildings at the height of the real estate boom. This portion of the OCG portfolio was purchased in 2007 for \$36 million with \$29 million of debt issued by Deutsche Bank that was immediately sold to Fannie Mae. Shortly thereafter, OCG abandoned the buildings in the portfolio because they could not afford to pay the overvalued mortgage. During this time ten of the OCG properties were placed on city's worst building list in 2007 and 2008, with nearly 5,00 housing code violations. Fannie Mae initiated foreclosure proceedings in March, 2009.

The proposed project consists of 154 units located in four four-story buildings at Leland Avenue, one five-story building at Bryant Avenue, one six-story building at Crotona Avenue, and one five-story building at East 175th Street. Twenty units will be the NSP-designated units and will conform to applicable 50% AMI low-income set-aside requirements.

No tenant will be displaced as a result of OLR LBCE, LP's actions. Some tenants may move within their respective building, and some tenants may need to be temporarily relocated to off-site housing (less than 30 days). Borrower as owner will be responsible for applicable costs of the temporary relocation of any tenants that may need to be relocated outside the complex.

Location Description:

1512, 1516, 1520, 1524 Leland Avenue, Bronx, NY, 10462
Block: 3923 Lots 47, 48, 50 & 51
Community Board: 209; Census tract: 21601

1528 Bryant Avenue, Bronx, NY, 10460
Block 3001 Lot 7
Community Board: 203; Census Tract: 157

2254 Crotona Avenue. Bronx, NY, 10457

Block: 3101 Lot 21
Community Board: 206; Census tract: 393

806-808 E. 175th Street, Bronx, NY, 10460
Block: 2952 Lot 46
Community Board: 206; Census tract: 367

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/20	0/134	0/154	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:	REO - 002
Activity Title:	Real Estate Owned (REO) - Rehab.

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

REO - 001

Project Title:

Real Estate Owned (REO) Strategy

Projected Start Date:

05/15/2009

Projected End Date:

03/20/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

NYCHPD

Overall	Jan 1 thru Mar 31, 2011	To Date
Total Projected Budget from All Sources	N/A	\$7,876,137.00
Total CDBG Program Funds Budgeted	N/A	\$7,876,137.00
Program Funds Drawdown	\$0.00	\$7,876,137.00
Program Funds Obligated	\$0.00	\$7,876,137.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	10/95
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	12/156
# of Singlefamily Units	0	0/156

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	0/156	0/156	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: Cypress Village

Activity Category:

Construction of new housing

Project Number:

Own Aban - 001

Projected Start Date:

09/15/2010

Benefit Type:

Direct Benefit (Households)

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

Jan 1 thru Mar 31, 2011

To Date

Total Projected Budget from All Sources	N/A	\$1,145,931.25
Total CDBG Program Funds Budgeted	N/A	\$1,145,931.25
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$345,931.25	\$1,145,931.25
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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 result, 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 units 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:

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
