

Grantee: New York City, NY

Grant: B-09-LN-NY-0007

April 1, 2011 thru June 30, 2011 Performance Report

Grant Number:

B-09-LN-NY-0007

Obligation Date:**Grantee Name:**

New York City, NY

Award Date:

02/11/2010

Grant Amount:

\$20,059,466.00

Contract End Date:

02/11/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Peter Madden

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

The New York City Neighborhood Stabilization Program 2 will use stimulus funds to help partners across the city acquire and rehabilitate 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, which first established the Neighborhood Stabilization Program. 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. Projects identified total \$18.75 million. HPD is working to identify additional eligible activities where NSP funds can be used for redevelopment.

Target Geography:

In order to target our efforts, maximize the potential impact of our activities, and stabilize communities, HPD analyzed census tracts in NYC to identify explicitly where foreclosures and vacancies are located at present. HPD used the HUD foreclosure risk methodology, as well as the most recent property-level data on foreclosure notices and scheduled foreclosure auctions. From this research, HPD identified the 95 census tracts most in need of the interventions. The targeted areas include Southeast Queens, Central Brooklyn, and the North Shore of Staten Island.

Program Approach:

Based on HPD's analysis, our NSP2 activities seek to arrest the negative impacts of foreclosure and vacancy of homes, residential and mixed-use buildings, and other properties. The application addresses (1) areas with an existing or expected supply of foreclosed properties available for purchase and (2) areas with vacant properties that have languished without the funding necessary for redevelopment or sale to bring these properties back into productive use. Specifically, our programs include: down-payment and rehabilitation assistance; mixed-used housing assistance, and stalled and vacant site development in the New York City target geography. In addition, 25% of the grant will be set aside for projects housing individuals and families whose incomes do not exceed 50 percent of area median income.

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.

Consortium Members:

How to Get Additional Information:

<http://www.nyc.gov/html/hpd/html/pr/NSP.shtml>

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$18,750,000.00
Total CDBG Program Funds Budgeted	N/A	\$18,750,000.00
Program Funds Drawdown	\$259,071.00	\$327,743.69
Program Funds Obligated	\$259,071.00	\$327,743.69
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

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	\$0.00	\$0.00
Limit on Admin/Planning	\$2,005,946.60	\$327,743.69
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,005,946.60	\$700,000.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$5,014,866.50	\$10,600,000.00

Overall Progress Narrative:

HPD has been actively working with its various development partners to refine their proposals, so that these projects can most efficiently achieve the national objectives of neighborhood stabilization and revitalization and continued affordability as they relate to the needs of New York City. Projects identified to date total \$17.5 million of the \$20 million grant. The explanation for this gap is that two activities previously identified by HPD have fallen through: the Metroplex Project (\$10 million) and Cypress Hills-Pitkin Berriman (\$3 million). To address this gap, HPD has identified three new projects: DCA Central Brooklyn (\$6.5 million), the MHANY Hopkinson Cluster (\$3 million), and Dean Atlantic (\$1.5 million). HPD is working to identify additional foreclosed, vacant and abandoned properties where NSP funds can be used for redevelopment to address the remaining \$1.25 million gap. It is estimated that the projects describe below will deliver 250 affordable units to the New York City housing market. Updates of each project's progress are included in the descriptions below. Expenditure to date has been on administrative funds spent on HPD staff salaries.

DCA Central Brooklyn: Omni New York LLC is working HPD, the New York City Housing Develop Corporation (HDC), and HUD to structure the financing for the acquisition and rehabilitation of this 216 unit foreclosed multifamily property. The \$6.5 million in NSP 2 funds will be used for acquisition costs.nbsp; Omni is working with HUD to extend the existing IRP mortgage subsidy. The new HDC financing will be backed by HDC bonds which require that the project close on all financing in 2011. At the closing, the entirety of the NSP funds will be spent, accounting for a

large portion of the \$10 million in NSP 2 that HPD is required to spend by February 2012.

> MHANY Hopkinson Cluster: Using \$3 million in NSP funds, Mutual Housing Association of New York Management Inc. will construct 24 units of rental housing for tenants earning between 50% and 100% of AMI or less. Initial environmental analysis has been completed and HPD is securing City approvals related to the disposition of these City-owned sites. The sponsor is selecting a lender to provide a first mortgage and has applied to the Federal Home Loan Bank for additional subsidy. As soon as the City Council and Mayoral land disposition approvals are in place, this project can close and begin construction. We estimate this will be in the fourth quarter of this year.

> Housing Works: The non-profit group Housing Works will use NSP funds to develop twelve units of supportive housing at 874 Jefferson Avenue. The entire project will be affordable to residents earning less than 50% of AMI. This project is scheduled to close on NSP financing in July of 2011. The project is already under construction and the NSP funds will be entirely drawn down in the next six months.

> Noel Pointer Apartments: Bridge Street Development Corporation will use \$2.6 million in NSP2 funds to close on financing for a new construction project on vacant, foreclosed land. This land will be developed as a 28 unit low-income rental project. The non-profit developer will also leverage other sources of financing to complete this project. This project is scheduled to begin in August of 2011. Some portion of these funds will be drawn down by February 2012.

> New York Mortgage Coalition Homebuyer Assistance Program: The New York Mortgage Coalition, as a subrecipient, will implement a \$4.2 million homebuyer assistance program. The NYMC will work with a group of neighborhood non-profit organizations including NHS, the Pratt Area Community Council, the Cypress Hills LDC, and the Northfield Community LDC of Staten Island. These neighborhood based non-profit partners will provide homeownership counseling and assist potential buyers with all steps of the home-buying process. NYMC is also contracting with housing inspectors to survey the condition of homes in the program pipeline. It is expected that some buyers will select to take out 203K mortgages which will permit them to borrow funds for necessary repairs to ensure that the homes are safe and habitable. It is estimated that the program will help roughly 50 individuals and families purchase vacant or foreclosed homes in the New York City neighborhoods most impacted by the foreclosure crisis. HPD and the NYMC are currently finalizing the subrecipient agreement which is being shared with participating lenders to get their comments on the structure of the program.

Dean Atlantic: NSP will fund the acquisition of seven units of foreclosed multifamily rental properties in the Bedford Stuyvesant section of Brooklyn. All NSP funds will be spent at the closing which will occur before the end of 2011. The Dean Atlantic HDFC is completing environmental reviews on the project sites. Once these are complete, the project will be able to close on financing.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Homebuyer Assistance to low- and moderate-income	\$0.00	\$8,959,466.00	\$0.00
02, Construction of new housing	\$0.00	\$0.00	\$0.00
03, Rehabilitation/reconstruction of residential structures	\$0.00	\$4,000,000.00	\$0.00
04, Vacant Site Development-Low Income	\$0.00	\$12,000,000.00	\$0.00
04, Acquisition	\$0.00	\$0.00	\$0.00
05, Administrative Costs	\$259,071.00	\$700,000.00	\$327,743.69
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 01

Activity Title: Financing Mechanism: Homebuyer Assistance

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

01

Projected Start Date:

06/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Homebuyer Assistance to low- and moderate-income

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

New York Mortgage Coalition

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$4,200,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,200,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$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:

The New York Mortgage Coalition (NYMC), as a subrecipient, will implement a \$4.2 million homebuyer assistance program which will be used to write down individual homebuyers' mortgage costs. Assistance per NSP2-eligible house will range between \$50,000 and \$80,000. The NYMC will oversee a group of neighborhood non-profit organizations including NHS, the Pratt Area Community Council, the Cypress Hills LDC, and the Northfield Community LDC of Staten Island. These neighborhood based, non-profit partners will provide homeownership counseling and assist potential buyers with all steps of the home-buying process. It is estimated that the program will help roughly 50 individuals and families purchasing vacant or foreclosed homes in the New York City neighborhoods most impacted by the foreclosure crisis. HPD and the NYMC are currently finalizing the subrecipient agreement and estimate that the program will begin operating in the summer of 2011.

Location Description:

NSP2 funds will be used in the 95 census tracts in New York City most severely impacted by foreclosures.

Activity Progress Narrative:

Advertising for this program will begin in July.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/50
# of Singlefamily Units	0	0/50

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	0/50	0/50	0
# Owner Households	0	0	0	0/0	0/50	0/50	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP 2	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number:	02a
Activity Title:	Vacant Site Redevelopment: MHANY Hopkinson Cluster

Activity Category:

Construction of new housing

Project Number:

02

Projected Start Date:

07/15/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Construction of new housing

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

NYCHPD

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$3,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,000,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
NYCHPD	\$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:

HPD will lend \$3 million in NSP 2 funds to Mutual Housing Association of New York Management Inc. (MHANY) for the construction of 13 units out of a 24 unit project. The project will be rental housing for tenants earning between 50% and 80% of AMI. 13 of these units will be NSP2 units for residents earning less than 50AMI. The other 11 units will be for residents earning between 50 and 80 AMI. These buildings were originally intended to be developed as homeownership units, but the market downturn made this impossible. NSP 2 funds are enabling the construction of new housing that would not have been possible otherwise.

Location Description:

This project is new construction of seven new buildings on vacant lots in East New York, Brooklyn.

Activity Progress Narrative:

The developer is performing environmental reviews and securing public land-use approvals in anticipation of a closing before the end of 2011.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with bus/rail access	0	0/13
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/13
# of Multifamily Units	0	0/13

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/13	0/0	0/13	0
# Renter Households	0	0	0	0/13	0/0	0/13	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP 2	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number:	02b
Activity Title:	Vacant Site Redevelopment: Noel Pointer Apartments

Activity Category:

Construction of new housing

Project Number:

02

Projected Start Date:

06/15/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Construction of new housing

Projected End Date:

02/01/2013

Completed Activity Actual End Date:

Responsible Organization:

NYCHPD

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$2,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$2,600,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
NYCHPD	\$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:

The Noel Pointer Apartment project will be developed by Bridge Street Development Corporation, a Brooklyn based non-profit. HPD will lend Bridge Street \$2.9 million in NSP2 funds to close on financing for a new construction project on vacant, foreclosed land. This land will be developed as a 28 unit low-income rental project. NSP will fund 9 of these units for residents earning less than 50% of AMI. The non-profit developer will also leverage other sources of financing to complete this project including federal Low Income Housing Tax Credits.

Location Description:

This development is in the Bedford Stuyvesant neighborhood in central Brooklyn. The specific census tract has an NSP3 need score of 18, above the need score threshold of 16 for New York State. The estimated mortgage delinquency rate for this site is 14.3%.
The address is 790 Lafayette Avenue, 11221 Brooklyn, NY.

Activity Progress Narrative:

The construction finance closing for this activity will occur in August.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with bus/rail access	0	0/9
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/9
# of Multifamily Units	0	0/9

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/9	0/0	0/9	0
# Renter Households	0	0	0	0/9	0/0	0/9	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: 03

Activity Title: Redevelopment of Vacant Building

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

03

Projected Start Date:

01/15/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Rehabilitation/reconstruction of residential structures

Projected End Date:

01/01/2012

Completed Activity Actual End Date:

Responsible Organization:

Housing Works

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$250,000.00
Total CDBG Program Funds Budgeted	N/A	\$250,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Housing Works	\$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:

HPD will lend the non-profit group Housing Works funds to develop twelve units of supportive housing at 874 Jefferson Avenue. The entire 12 unit project will be affordable to residents earning less than 50% of AMI. This project has closed on all financing, is under construction and is scheduled to be complete by the end of 2011. Other financing sources include HUD's Supportive Housing Program and New York State Homeless Housing Assistance Program.

Location Description:

874 Jefferson Avenue in Brooklyn

Activity Progress Narrative:

The finance closing for this activity will occur in July.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1
#Units with bus/rail access	0	0/12
#Sites re-used	0	0/1
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/12
# of Multifamily Units	0	0/12

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/12	0/0	0/12	0
# Renter Households	0	0	0	0/12	0/0	0/12	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: 05

Activity Title: Administrative costs

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

05

Project Title:

Administrative Costs

Projected Start Date:

02/11/2010

Projected End Date:

02/11/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

NYCHPD

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$700,000.00
Total CDBG Program Funds Budgeted	N/A	\$700,000.00
Program Funds Drawdown	\$259,071.00	\$327,743.69
Program Funds Obligated	\$259,071.00	\$327,743.69
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:

Administrative costs associated with the implementation of HPD's NSP2 programs. Administrative funds primarily pay for HPD staff members working on NSP-funded projects. One full time director and one full time senior project manager are paid with NSP2. A small amount of these funds will be used to cover costs related to attending NSP conferences and trainings. A portion of the budget will be used to fund the salary of the NSP Project Director at the New York Mortgage Coalition, a subrecipient coordinating the Homebuyer Assistance Program. HPD staff being funded with NSP2 administrative funds work on the following tasks: develop the pipeline of projects by verifying NSP eligibility; ensure compliance with federal requirements such as environmental review and tenant notification in occupied projects; oversee projects through finance closings and oversee the disbursement of NSP funds; and complete federal reporting requirements.

Location Description:

The 95 census tracts most severely affected by foreclosures.

Activity Progress Narrative:

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
NSP 2	\$0.00
Total Other Funding Sources	\$0.00
