Grantee: Los Angeles, CA

Grant: B-11-MN-06-0512

October 1, 2012 thru December 31, 2012 Performance Report



Grant Number: Obligation Date: Award Date:

B-11-MN-06-0512 03/07/2011

Grantee Name: Contract End Date: Review by HUD:

Los Angeles, CA 03/02/2014 Submitted - Await for Review

Grant Amount: Grant Status: QPR Contact: \$9.875.577.00 Active Christine Wai

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$9,875,577.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The Los Angeles Housing Department (LAHD) used HUD's NSP3 data set to determine the City's NSP3 target areas. Careful geographic information systems (GIS) analysis was used to determine neighborhoods of greatest need for stabilization efforts and areas where the ability to leverage resources will aid in meeting the desired outcomes.

In our spatial analysis, the LAHD took into account several factors including:

- The City's current NSP 1 and 2 target areas
- LAHD NSP property activity data through Restore Neighborhoods Los Angeles (RNLA)
- Current density zoning
- Community Redevelopment Agency/Los Angeles (CRA/LA) project areas
- City of Los Angeles Recreation and Parks priority areas
- ARRA funded street resurfacing projects, bike grating and street lighting improvements
- Targeted census tracts from other NSP2 grantees such as Los Angeles Neighborhood Housing Services (LANHS) and New Economics for Women (NEW)

The target areas were then mapped using the HUD NSP3 Mapping Tool for Preparing Action Plan in order to determine the estimated number of units that are needed to make a 20% impact. Once the targeted areas were narrowed, LAHD staff visited the areas to survey and verify the analysis.

The determination of NSP3 areas took several factors into account. First, the LAHD prioritized current NSP1 and NSP2 target areas in order to leverage additional dollars to meet both the greatest need and the NSP3 20% impact requirement. Second, the LAHD analyzed areas with high NSP3 need scores and patterns of divestment. The three selected areas scored either a 19 or 20 HUD Need Factor Score, well above the California State minimum requirement of 17 HUD Need Factor Score. The areas selected had high incidences of foreclosures, vacancies, unemployment and an above average rate of high cost mortgages compared to the rest of the City.

LAHD also targeted areas where partnership opportunities would leverage NSP with other related funding sources. For example, the LAHD has partnered with the City's Department of Recreation and Parks to develop new community parks or other open space uses on select properties purchased with NSP1 funds. These properties are located within or nearby the areas of greatest need in Watts, South Los Angeles and the San Fernando Valley.

The Watts target area is Neighborhood ID number 7867004 on the NSP3 Mapping Tool and is named South LA Target 15. This targeted neighborhood is within a 1/4 mile from the 103rd St./Wilmington light rail station and presents an opportunity to leverage transit and related infrastructure investment in the community while improving the housing stock and providing affordable housing opportunities that contributes to a safe pedestrian centered neighborhood. This area is also adjacent to Jordan Downs, a public housing community planned for significant redevelopment investment by the Housing Authority of the City of Los Angeles (HACLA). LAHD has partnered with HACLA to invest NSP resources in the Watts neighborhoods surrounding Jordan Downs to improve the housing stock and provide affordable rental and homeownership opportunities to households served by HACLA. In addition, the Community Redevelopment Agency of Los Angeles (CRA/LA) is planning a sn corridor connecting Jordan Downs High School to the light rail station. Per the Mapping Tool data, 26 units must be assisted in order to address 20% of the real estate owned (REO) properties within this target area.



The South Los Angeles target area is Neighborhood ID number 6686798 on the NSP3 Mapping Tool and is named South LA Target 7. This neighborhood presents an opportunity to leverage public investments such as a new Los Angeles Unified High School located in the targeted area. In addition, the City has made significant NSP1 and NSP2 investments in these and surrounding communities. This area has slightly higher density zoning than the other two target areas as well as many foreclosed 2-4 unit rental properties that will aid in focusing NSP3 dollars on affordable rental housing opportunities. Per the Mapping Tool data, 23 units must be assisted in order to address 20% of the real estate owned (REO) properties within this target area.

The San Fernando Valley target area is Neighborhood ID number 6239105 on the NSP3 Mapping Tool and is named Valley Target 10. This area has a high foreclosure rate and encompasses a CRA/LA area as well as a Recreation and Parks prioritization area. These efforts will help leverage NPS3 funding in further helping to stabilize these targeted neighborhoods. Per the Mapping Tool data, 105 units must be assisted in order to address 20% of the real estate owned (REO) properties within this target area.

The total number of units required to address 20% of the foreclosed properties in the target areas is 154. The limited amount of NSP3 funds is not sufficient to address 154 units by itself, given the need, in our experience, for rehabilitation and upgrading to Green Communities standards in all properties purchased. Therefore, LAHD has selected these three target areas which also qualify for NSP1 and NSP2 resources in order to maximize the impact of the NSP3 funds available to the City. Program income from these previous NSP awards will contribute to meeting the 20% minimum requirement. Moreover, by establishing the NSP3 target areas within those of NSP1 and NSP2, LAHD expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas to be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

In addition, by targeting these three areas for NSP3, the City will be able to catalyze a multiagency approach to aid in its neighborhood stabilization efforts. Since the City began to track foreclosure activity in 2007, these NSP3 areas are among the hardest hit by a steady increase in foreclosures; targeting NSP3 funds in these neighborhoods is crucial to prevent the further decline of these areas.

The NSP3 program is comprised of the following activities:

- Eligible Use B: \$6,888,019 of NSP3 funds will be used for Acquisition and Rehabilitation activities for both Homeownership and Rental purposes
 - Eligible Use E: \$2,000,000 of NSP3 funds will be used for Redevelopment/New Construction of Rental Housing activities
- Program Administration: \$987,558 of NSP3 funds will be used for program administration costs of both LAHD and RNLA (LAHD's subrecipient)

A minimum of \$2,468,895 of the NSP3funds (25% of the total grant) will be appropriated for residential properties that serve households whose incomes are at or below 50% of Area Median Income (AMI).

A public notice and the draft Substantial Amendment have been continuously posted on the websites of the City of Los Angeles and the LAHD since February 8, 2011. In addition, a notice was published in a local paper on the same date. The NSP3 Substantial Amendment was on the public meeting agenda of the Los Angeles City Council and was approved after public comment and discussion on February 25, 2011.

One email was received from a city resident providing comments on the NSP3 substantial amendment. A PDF of the email will be provided to HUD along with the submission of Form 424, the NSP3 Certifications document, and the Mapping Tool data.

LAHD has been meeting with lending institutions, real estate professionals, contractors and homebuyer educators to review the program and receive guidance and feedback to ensure successful implementation of NSP3 in Los Angeles.

How Fund Use Addresses Market Conditions:

The Acquisition and Rehabilitation activities for Homeownership will be active in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide homeownership opportunities. These neighborhoods have suffered from large numbers of foreclosures of single family homes and steep declines in home prices. The market conditions, combined with high rates of unemployment, deter investment to improve the housing stock. LAHD's program experience to date has shown that the rehabilitation needs of REO properties in the NSP neighborhoods are significant. In particular, older homes built in the 1920s and 1930s in South Los Angeles and Watts neighborhoods have significant improvement needs, including deteriorated foundations, inadequate plumbing and electrical systems, and rotted wood and termite damage to the building structures. In addition, properties in all the target areas have illegal construction and accessory buildings or have been illegally converted to multiple dwelling units.

As a result of illegal and substandard conditions of REO properties and the high quality and energy-efficient rehabilitation standards adopted by LAHD, rehabilitation costs have averaged over \$160,000 per home. Some blighted properties are in such poor condition that it is more economically feasible to reconstruct a new home than to rehabilitate the current dilapidated structure. As a result, LAHD intends to incorporate a reconstruction element to the NSP that will introduce new single family homes into the NSP neighborhoods. These investments into rehabilitation and reconstruction of homes will result in an improved housing stock of energy-efficient homes that meet modern building code standards and reduce energy costs for lower and moderate-income homeowners.

Restore Neighborhoods LA, Inc. (RNLA), a 501(c)(3), is a non-profit property holding and development company established for the purpose of implementing NSP in Los Angeles. To date, RNLA has acquired 94 properties totaling 182 housing units, including 61 single family homes and 33 multi-family properties containing 121 housing units. Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns properties in these neighborhoods. RNLA will continue to acquire vacant single family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA will sell the homes to eligible low, moderate, and middle-income homebuyers.



The Acquisition and Rehabilitation activities for Rental Housing will be available in each of the NSP3 target areas of greatest need as well and serve to remove blighted and illegal structures, improve the housing stock, and provide affordable rental housing opportunities for households with incomes at or below 50% of Area Median Income (AMI). RNLA will be primarily responsible for implementing this activity.

Foreclosures of multi-family rental properties (5+ units) continue to spread in Los Angeles. Since 2007, the number of foreclosures of multi-family rental properties (5+ units) has increased every year. There were more foreclosures of multi-family rental properties (5+ units) during the first three quarters of 2010 than during all of 2009. In addition, there have been over 5,000 foreclosures of smaller 2-4 unit buildings since 2007. The vast majority of these smaller rental properties are located in South Los Angeles.

Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns multi-family rental properties in these neighborhoods. To date, RNLA has acquired 33 multi-family properties containing 121 housing units within NSP neighborhoods. RNLA will continue to acquire multi-family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA partners with other mission-driven housing providers to rehabilitate these properties and provide affordable rental housing opportunities.

LAHD is also investing NSP funds to develop new affordable rental housing units in the NSP neighborhoods. The Redevelopment/New Construction of Rental Housing activities will also be available in each of the NSP3 target areas of greatest need. These activities involve the redevelopment of vacant properties under Eligible Use E to construct new affordable rental housing units for households with incomes at or below 50% AMI.

There is demand in the market for new affordable housing development. These new development projects leverage NSP funds with low-income housing tax-credits and bond financing as well as other resources such as State or local Redevelopment financing. To date, LAHD has funded three new housing development projects that will create 156 new affordable rental housing units in NSP neighborhoods.

LAHD will have primary responsibility for implementing the Redevelopment activities. LAHD has the capacity and experience to make NSP funding available through a competitive Notice of Funding Available (NOFA) process that allows affordable housing developers to propose affordable rental housing developments on vacant sites within the NSP neighborhoods.

Ensuring Continued Affordability:

Homeownership Properties:

To ensure continued affordability of these homes, the City will provide shared appreciation second mortgage loans for mortgage assistance, down payment, and closing costs. These loans will be underwritten as gap financing so that the homebuyer receives a loan for the difference between the sales price and the sum of the first mortgage and buyer downpayment. The maximum amount will be up to \$75,000 for households whose incomes do not exceed 80% AMI and up to \$50,000 for households whose incomes are between 81-120% AMI. These shared equity appreciation mortgages bear no interest and repayment will be deferred and due upon sale, title transfer, first mortgage repayment, or in 30 years as a balloon payment. The City's lien on the property requires that a portion of the appreciation in the value of the property and any equity gain resulting from a below market value purchase of the property be shared with the City upon resale of the property. This will help to ensure that properties purchased below market value are not subsequently resold or "flipped" for an excessive profit. However, if there are no net proceeds or the net proceeds are insufficient to repay the NSP investment due, the City will only recapture the amount of the net proceeds, if any.

In cases where recapture may not be appropriate, for example, in a project developed by Habitat for Humanity to create very long term affordable housing, the City may permit the placement of resale restriction covenants on some homeowner properties to ensure continued affordability for a period of at least 30 years. An assumable subordinate instrument will be placed on the property to ensure that if the home is resold, after the affordability period has ended, to a household whose income exceeds 120% AMI, any "excess profits" from the market sale will be returned to the City as program income.

Rental Properties:

The City will require a minimum affordability period consistent with HOME requirements up to a maximum of 55 years for NSP properties occupied as affordable rental housing. To ensure continued affordability, owners of NSP rental properties will be required to enter into a Regulatory Agreement and have affordability covenants that run with the land for the duration of the affordability period that restrict the rent and income level of tenants that reside in the property. Affordable rents will be set in accordance with the HUD NSP requirements and the definition of "affordable rents" contained in this NSP3 Substantial Amendment.

Definition of Blighted Structure:

Blighted structure is defined in HUD's NSP requirements as follows: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

For the purposes of the City of Los Angeles' Neighborhood Stabilization Program: "Blighted structure" shall be defined, but not limited to, any building, structure or portions thereof which exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, or public welfare; or which constitutes a nuisance or is classified as a hazardous building pursuant to the City of Los Angeles Building Code and includes, without limitation, any residential building or dwelling, garage, accessory building, or any commercial or industrial building or portion thereof which because of fire, wind, natural disaster, or physical deterioration, is no longer habitable as a dwelling or useful for the purpose for which it was designed, used or originally intended; is structurally unsound or in disrepair; has portions of the building constructed that are not in accordance with applicable codes and standards or without applicable valid and approved building permits issued by the City of Los Angeles.



Definition of Affordable Rents:

NSP requires that all households assisted with NSP funds have incomes at or below 120% of area median income (AMI) and a minimum of twenty-five percent (25%) of NSP funds be used to assist households having incomes at or below 50% AMI.

HUD has published NSP income limits for households having incomes at or below 50% AMI and 120% AMI, adjusted for household size. The numbers below summarize HUD's NSP household income limits and expand those limits to include 80% AMI for the City of Los Angeles:

- 50% AMI: 1 person-\$29,000; 2 person-\$33,150; 3 person-\$37,300; 4 person-\$41,400; 5 person-\$44,750; 6 person-\$48,050
- 80% AMI: 1 person-\$46,400; 2 person-\$53,000; 3 person-\$59,650; 4 person-\$66,250; 5 person-\$71,550; 6 person-\$76,850
- 120% AMI: 1 person-\$69,550; 2 person-\$79,500; 3 person-\$89,400; 4 person-\$99,350; 5 person-\$107,300; 6 person-\$115,250

For the purpose of the City of Los Angeles' NSP program, the term "affordable rent" shall be based upon 30% of the monthly income for a household eligible to reside in an NSP restricted unit less the utility allowance established by the Housing Authority of the City of Los Angeles (HACLA) (or other allowance approved by LAHD's Occupancy Monitoring Unit) for utilities paid by the tenant.

The Low Income Housing Tax Credit Program uses the same income limits and the 30% of AMI formulation for rents. Therefore, the California Tax Credit Allocation Committee (CTCAC) rents (minus utility allowance) will be used to establish rents for affordable properties funded with NSP.

Properties Assisted with Other Affordable Housing Funds:

Affordable housing developers that acquire, rehabilitate and/or own and operate rental properties assisted with NSP funds, may obtain other federal, state, or local affordable housing funding resources to leverage the NSP funds. If these funds also have affordability requirements, the restricted rents for units subsidized by these funds will be established at the rents required for the affordable housing funds or the CTAC rents, whichever are most appropriate for the project.

Rent Stabilization Ordinance:

The City of Los Angeles has a Rent Stabilization Ordinance (RSO) that protects tenants from excessive rent increases. Multi-family residential properties are subject to the RSO if the Certificate of Occupancy was issued on or before October 1, 1978. RSO properties purchased with NSP funds shall be subject to the provisions of the RSO, including the applicable provisions for exemption from the RSO for housing accommodations owned by a non-profit where the accommodations are available to low income households as evidenced by a government imposed regulatory covenant with provisions consistent with those contained in the RSO. Although the CTCAC rents will be used to set the initial rent for vacant units, RSO properties will be governed by the RSO annual increase in rents and "good cause" eviction regulations. CTCAC or other authority approved by LAHD Occupancy Monitoring Unit will govern annual rent increases in non-RSO properties.

Housing Rehabilitation/New Construction Standards:

The Los Angeles Housing Department (LAHD) will apply a health and safety rehabilitation standard to all NSP3-assisted residential properties. Each property will be inspected for health and safety deficiencies. Rehabilitation funding will be provided to repair code deficiencies in major building systems (e.g. roofing, electrical, plumbing, structural), perform seismic retrofitting, install seismic safety automatic gas shut-off valves, install smoke and carbon monoxide detectors, remediate lead-based paint hazards, repair damaged interiors, and provide exterior improvements if needed to support neighborhood stabilization and revitalization efforts. Where applicable, properties will be required to meet the accessibility standards in Title 24 CFR, Part 8. Illegal structures will be removed and the homes will be restored to their original conditions. Garages that have been illegally converted to other uses will be restored to garages.

Properties will be retrofitted for energy efficiency and water efficiency. This will include sealing of the building envelope, adding insulation to the walls, attic, and floors where necessary, installing Energy Star qualified windows and lighting, sealing all HVAC ducts (if applicable), as well as installing high efficiency water fixtures such as toilets, faucets, and showerheads. Energy audits and Home Energy Rating System (HERS) inspections will be performed on properties to verify that the building envelope and ducts are performing at a satisfactory level. Additionally, all "gut rehabilitation" projects that receive funds via the RNLA program will be required to adhere to the Green Communities Criteria.

http://www.greencommunitiesonline.org/tools/criteria/

Vicinity Hiring:

For all NSP3 activities, LAHD will utilize its Section 3 policies and procedures (with the exception of the household income restriction) to implement the vicinity hiring mandate, focusing these efforts within the target areas of greatest need. LAHD's contract with RNLA requires that all job openings be listed with the local Employment Development Department and RNLA's procurement policies require outreach to Minority, Women and Disadvantaged Business Enterprises (MBE/WBE/DBE) for contracting opportunities. LAHD and RNLA are also working with the City's Community Development Department (CDD) to implement a program wherein the City's WorkSource Centers may refer construction workers to contractors that perform rehabilitation work on RNLA properties. The City's WorkSource Centers provide employment services to residents, including those residing in the areas of greatest need and have trained local residents in the construction trades.

Procedures for Preferences for Affordable Rental Dev.:

LAHD and RNLA will acquire 2-4 unit properties within the target areas, as appropriate, and utilize them as long term affordable rental housing. Additionally, LAHD and RNLA may partner with developers to create long term affordable housing in larger rental properties.

Approximately half of the NSP3 program funds will be allocated to provide affordable rental housing opportunities. A minimum of \$2,468,895, (25% of the total NSP3 grant) will be used to provide rental housing opportunities to households with incomes at or below 50% AMI.



Grantee Contact Information:

Los Angeles Housing Department (LAHD) Doug Swoger douglas.swoger@lacity.org 213-808-8948 1200 W. 7th Street, 8th Floor, Los Angeles, CA 90017

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$9,875,577.00
Total Budget	\$9,875,577.00	\$9,875,577.00
Total Obligated	\$2,223,452.73	\$5,431,258.00
Total Funds Drawdown	\$1,690,658.93	\$3,901,004.36
Program Funds Drawdown	\$1,690,658.93	\$3,901,004.36
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$1,054,614.36	\$3,256,147.56
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	\$1,481,336.55	\$0.00
Limit on Admin/Planning	\$987,557.70	\$14,676.06
Limit on State Admin	\$0.00	\$14,676.06

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$987,557.70	\$987,558.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,468,894.25	\$4,444,019.00

Overall Progress Narrative:

By the end of the 4th quarter 2012, the NSP3 program of the City of Los Angeles had expended over \$3.25 million and acquired ten foreclosed single family properties, completed construction on three single family properties and is currently rehabilitating 14 properties with NSP3 funds. Restore Neighborhoods LA, Inc. (RNLA), the Los Angeles Housing Department's (LAHD) non-profit subrecipient, has acquired foreclosed properties and is rehabilitating these properties to be resold to qualified homebuyers in targeted NSP3 neighborhoods in Los Angeles.



To date, RNLA has purchased ten single family properties and one single family property and one duplex are in escrow to be purchased with NSP3 funds during the 4th quarter 2012. During the 4th quarter, construction began on six of the single family properties and construction will start on two homes next quarter. During the 4th quarter, construction was completed on two single family homes and these homes are currently pre-listed for sale to eligible home buyers. In an effort to leverage NSP dollars, RNLA is using NSP3 funds to rehabilitate nine single family properties acquired with NSP2 funds. During the 4th quarter, eight of the single family properties were in construction and construction was completed on one single family property which is currently pre-listed for sale.

Some of the NSP3 properties will provide contracting opportunities to minority small business graduates of the Bridges to Business Success Program (B2BS) sponsored by the University of Southern California, City of Los Angeles Mayor Antonio Villaraigosa's Office of Economic Development and Business Policy, the Minority Business Development Agency, Citibank, and other community-based organizations in Los Angeles. The B2BS provides opportunity for small, women, minority, and disabled veteran-owned businesses to participate in USC's Procurement Training Program to enhance their capacity to successfully bid for contract opportunities. The first graduates of B2BS included construction contractors, architects and engineers, construction managers, property managers and real estate professionals. LAHD and RNLA are providing these B2BS graduates with contracting opportunities involving NSP properties. To date, rehabilitation contracts totaling \$2.12 million for eleven single family properties acquired and/or rehabilitated with NSP3 funding have been awarded to seven general contractors who graduated from the B2BS program. In addition, there are seven B2BS sub-contractor graduates working on these eleven NSP properties. By the end of the 4th quarter 2012, nine of the eleven properties are in construction; while two properties have completed construction and are currently prelisted for sale to qualified homebuyers.

Project Summary

Project #, Project Title	This Report Period	To Da	te
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
100 - Admin, Administration	\$14,676.06	\$987,558.00	\$14,676.06
200 - Eligible Use B, Acquisition & Rehabilitation (Use B)	\$1,675,982.87	\$6,888,019.00	\$3,886,328.30
300 - Eligible Use E, Redevelopment (Use E)	\$0.00	\$2,000,000.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Grantee Activity Number: 101 LAHD Admin

Activity Title: LAHD Administration

Activity Category: Activity Status:

Administration Under Way

Project Number: Project Title: 100 - Admin Administration

Projected Start Date: Projected End Date:

05/01/2011 03/31/2014

Benefit Type: Completed Activity Actual End Date:

N/A

National Objective: Responsible Organization:

N/A City of Los Angeles Housing Department

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$600,000.00
Total Budget	\$600,000.00	\$600,000.00
Total Obligated	\$600,000.00	\$600,000.00
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
City of Los Angeles Housing Department	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The administrative budget for the NSP3 program includes funds for LAHD staff positions and contractual services. LAHD and RNLA will share NSP3 program administration funds.

Location Description:

The Los Angeles Housing Department (LAHD) is located at 1200 W. 7th St., 9th Floor, Los Angeles, CA 90017.

Activity Progress Narrative:

On March 4, 2011, LAHD received Mayor and City Council approval to accept the NSP3 grant award. Since that time, LAHD has established budgets and set-up accounts for expenditure of the NSP3 funds and prepared an amendment to the existing contract with RNLA, which incorporated NSP3 funding for acquisition and rehabilitation of foreclosed and vacant properties. During the 4th quarter 2011, RNLA finalized a NSP3 budget plan that was approved by LAHD and included in the contract amendment. The contract amendment was formally executed at the beginning of January 2012. LAHD will begin drawing NSP3 administrative funds in 2013.



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



Grantee Activity Number: 102 RNLA Admin

Activity Title: RNLA Administration

Activity Category: Activity Status:

Administration Under Way

Project Number: Project Title:

100 - Admin Administration

Projected Start Date: Projected End Date:

05/01/2011 03/31/2014

Benefit Type: Completed Activity Actual End Date:

N/A

National Objective: Responsible Organization:

N/A Restore Neighborhoods LA (RNLA)

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$387,558.00
Total Budget	\$387,558.00	\$387,558.00
Total Obligated	\$386,958.00	\$387,258.00
Total Funds Drawdown	\$14,676.06	\$14,676.06
Program Funds Drawdown	\$14,676.06	\$14,676.06
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$9,319.22	\$9,319.22
Restore Neighborhoods LA (RNLA)	\$9,319.22	\$9,319.22
Match Contributed	\$0.00	\$0.00

Activity Description:

RNLA is LAHD's subrecipient. This Activity captures RNLA expenditures related to the administration of the NSP3 program. LAHD and RNLA will share NSP3 program administration funds.

Location Description:

Restore Neighborhoods LA, Inc. (RNLA) is located at 315 West Ninth St., Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

As RNLA began to acquire and rehabilitate NSP3 properties, RNLA began to utilize funds budgeted for administrative activities resulting in the expenditure of NSP3 administrative funds during the 4th quarter.

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



Grantee Activity Number: 201 Acquisition & Rehab Homeownership
Activity Title: Acquisition & Rehabilitation Homeownership

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number: 200 - Eligible Use B

Projected Start Date:

05/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation (Use B)

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

Restore Neighborhoods LA (RNLA)

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$4,444,000.00
Total Budget	\$4,444,000.00	\$4,444,000.00
Total Obligated	\$1,236,494.73	\$4,444,000.00
Total Funds Drawdown	\$1,675,982.87	\$3,886,328.30
Program Funds Drawdown	\$1,675,982.87	\$3,886,328.30
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$1,045,295.14	\$3,246,828.34
Restore Neighborhoods LA (RNLA)	\$1,045,295.14	\$3,246,828.34
Match Contributed	\$0.00	\$0.00

Activity Description:

The Acquisition and Rehabilitation activities for Homeownership will be active in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide homeownership opportunities. These neighborhoods have suffered from large numbers of foreclosures of single family homes and steep declines in home prices. The market conditions, combined with high rates of unemployment, deter investment to improve the housing stock.

Restore Neighborhoods LA, Inc. (RNLA), a 501(c)(3), is a non-profit property holding and development company established for the purpose of implementing the NSP in Los Angeles. To date, RNLA has acquired 94 properties totaling 182 housing units, including 61 single family homes and 33 multi-family properties containing 121 housing units. Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns properties in these neighborhoods. RNLA will continue to acquire vacant single family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA will sell the homes to eligible low, moderate, or middle-income homebuyers.

LAHD proposes to assist 35 single-family homeownership units with NSP3 funds. However, as mentioned in the NSP3 Plan narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, LAHD expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 Plan narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.

Location Description:



All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

Activity Progress Narrative:

To date, RNLA has acquired ten properties that were purchased with NSP3 funds and are being rehabilitated with NSP3 funds. During this quarter, construction was completed on two of the ten single family properties and they are currently prelisted for sale to qualified homebuyers. Also, construction continues on six single family properties this quarter and two properties will begin construction next quarter.

In an effort to leverage NSP dollars, RNLA is acquiring properties with NSP2 funds and will complete the rehabilitation with NSP3 funds. To date, RNLA has acquired nine single family homes that were acquired with NSP2 funds and are being rehabilitated with NSP3 funds. During this quarter, construction began on eight of the properties and construction was completed on one single family home.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/35
# of Singlefamily Units	0	0/35

Beneficiaries Performance Measures

	Thi	This Report Period		Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low	/Mod%
# of Households	0	0	0	0/0	0/0	0/35	0
# Owner Households	0	0	0	0/0	0/0	0/35	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount



Grantee Activity Number: 202 Acquisition & Rehab Rental 25% set-aside
Activity Title: Acquisition & Rehabilitation Rental 25% set-aside

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number: 200 - Eligible Use B

Projected Start Date:

05/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation (Use B)

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

Restore Neighborhoods LA (RNLA)

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$2,444,019.00
Total Budget	\$2,444,019.00	\$2,444,019.00
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
Restore Neighborhoods LA (RNLA)	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The Acquisition and Rehabilitation activities for Rental Housing will be available in each of the NSP3 target areas of greatest need and serve to remove blighted and illegal structures, improve the housing stock, and provide affordable rental housing opportunities for households with income less than 50% of area median income (AMI). RNLA will be primarily responsible to implement the Acquisition and Rehabilitation of Rental Housing Activity.

Because the NSP3 areas of greatest need overlap with NSP1 and NSP2 neighborhoods in Los Angeles, RNLA has experience and currently owns multi-family rental properties in these neighborhoods. To date, RNLA has acquired 33 multi-family properties containing 121 housing units within NSP neighborhoods. RNLA will continue to acquire multi-family REO properties in the NSP3 areas of greatest need and rehabilitate these properties to a code compliant and energy efficient standard. RNLA partners with other mission-driven housing providers to rehabilitate these properties and provide affordable rental housing opportunities.

Through these activities, LAHD proposes to assist 16 rental units with NSP3 funds. However, as mentioned in the NSP3 Plan narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, LAHD expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 Plan narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.

Location Description:



All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

Activity Progress Narrative:

During the 2nd quarter, LAHD released a Request for Proposal for the acquisition and rehabilitation of Plaza Vermont, a 79-unit affordable housing project owned by the City of Los Angeles. LAHD foreclosed on the property in February 2011 in order to protect the City's interest. During the 4th quarter, LAHD selected a developer to acquire and rehabilitate Plaza Vermont with NSP3 funds. Currently, the City is negotiating an exclusive negotiation agreement with the developer.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected			
	Total	Total			
# of Housing Units	0	0/16			
# of Multifamily Units	0	0/8			
# of Singlefamily Units	0	0/8			

Beneficiaries Performance Measures

	This	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%		
# of Households	0	0	0	0/16	0/0	0/16	0	
# Renter Households	0	0	0	0/16	0/0	0/16	0	

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount



Grantee Activity Number:	301 Redevelopment/New Constr Rental 25% set- aside
Activity Title:	Redevelopment/New Construction Rental 25% set- asid

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

300 - Eligible Use E

Projected Start Date:

05/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Redevelopment (Use E)

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Los Angeles Housing Department

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$2,000,000.00
Total Budget	\$2,000,000.00	\$2,000,000.00
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
City of Los Angeles Housing Department	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

LAHD is investing NSP3 funds to develop new affordable rental housing units in the NSP neighborhoods. The Redevelopment/New Construction of Rental Units activities will be available in each of the NSP3 target areas of greatest need. These activities involve the redevelopment of vacant properties under Eligible Use E to construct new affordable rental housing units for households with income at or below 50% AMI.

There is demand in the market for new affordable housing development. These new development projects leverage NSP funds with low-income housing tax-credits and bond financing as well as other resources such as State or local Redevelopment financing. To date, LAHD has funded three new housing development projects that will create 156 new affordable rental housing units in NSP neighborhoods.

LAHD will have primary responsibility for implementing the redevelopment activities. LAHD has the capacity and experience to make NSP funding available through a competitive Notice of Funding Available (NOFA) process that allows affordable housing developers to propose affordable rental housing developments on vacant sites within the NSP neighborhoods.

LAHD proposes to redevelop 26 units of rental housing with NSP3 funds. However, as mentioned in the NSP3 Plan narratives, by establishing the NSP3 target areas within those of NSP1 and NSP2, LAHD expects that the actual percentage of foreclosed properties touched by NSP funds within the NSP3 target areas will be greater than the 20% of properties which HUD deems sufficient to create an impact in stabilizing neighborhoods.

Please refer to the NSP3 Plan narratives for further information on: how the NSP3 funds will address market conditions; how continued affordability will be ensured; what rehabilitation standards will be applied; vicinity hiring efforts; and preferences for affordable housing development.



Location Description:

All NSP3 program activities will take place within the three NSP3 target areas. These areas are Mapping Tool ID numbers: 7867004, 6686798, and 6239105.

Activity Progress Narrative:

No activity reported during this period.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/26
# of Multifamily Units	0	0/26

Beneficiaries Performance Measures

	Ins	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod 0	Total 0	Low 0/0	Mod 0/0	Total Low/Mod%		
# of Households	0					0/26	0	
# Renter Households	0	0	0	0/0	0/0	0/26	0	

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

