

Grantee: Los Angeles, CA

Grant: B-08-MN-06-0512

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-06-0512

Obligation Date:**Grantee Name:**

Los Angeles, CA

Award Date:**Grant Amount:**

\$32,860,870.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Original - In Progress

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

The Neighborhood Stabilization Program provides emergency assistance to state and local governments to acquire and redevelop foreclosed residential properties that might create blight within their communities. California was second only to Florida in the number of foreclosed homes from January 2007 to June 2008. During that period, nearly 13,000 multi-family and single-family housing units were foreclosed upon in the City of Los Angeles. NSP guidelines required applicants to identify areas of greatest need that: 1) have the greatest percentage of home foreclosures, 2) have the highest percentage of subprime loans, and 3) are likely to face a significant rise in foreclosures. HUD also allowed local jurisdictions to consider other need categories in conjunction with HUDs priorities. Analysis by the Los Angeles Housing Department (LAHD) showed that approximately 52% of the foreclosed residences in the City of Los Angeles are in census tracts where the HUD Risk Factors are ranked seven and above on a scale from one to ten, where ten is the highest risk score. As of December 2008, there are 5,468 foreclosed homes (single family and multifamily) within those census tracts, which represent 7,293 units. Of these, 4,411 are single-family homes or condominiums and 2,882 are units in multi-unit properties.

Recovery Needs:

As required by HUD, NSP funds are being used for the acquisition and rehabilitation of foreclosed upon properties in identified target areas of greatest need. A key goal of the Citys program is to prevent the downward spiral of property abandonment and crime in neighborhoods that can result when vacant, boarded-up properties sit without attention for weeks or months at a time. Such conditions can have an adverse effect on public safety and property values.

The NSP target areas are in those parts of the City where the private sector has not been as effective in moving homes from foreclosure to new owners, which have risk factors ranked seven and above, and are neighborhoods in which a majority of households earn at or below 120% of the area median income (AMI). In addition, the Citys 37 active gang injunction areas all overlap with the NSP target areas, as do the twelve Gang Reduction and Youth Development Zones, neighborhoods where rates of violent gang-related crime are at least 400% higher than elsewhere in the City.

Within the identified areas of greatest need, NSP funds are being used to acquire and rehabilitate foreclosed upon properties to be occupied by owner and tenant households having incomes at or below 120% AMI. At least 25% of NSP funds are assisting households earning at or below 50% AMI.

The program is comprised of the following activities:

Homeownership Assistance (which includes moderate rehabilitation)

Acquisition and Rehabilitation of Rental Units

Acquisition and Rehabilitation of Rental Units for Households at or below 50% AMI (25% set-aside)

Program Administration

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$10,536,089.00
Total CDBG Program Funds Budgeted	N/A	\$10,536,089.00
Program Funds Drawdown	\$71,280.00	\$71,280.00
Obligated CDBG DR Funds	\$84,283.00	\$84,283.00
Expended CDBG DR Funds	\$31,504.00	\$31,504.00
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
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$4,929,130.50	\$0.00
Limit on Admin/Planning	\$3,286,087.00	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The Los Angeles Housing Department (LAHD) received notice from HUD in January 2009 that our NSP application had been approved. On February 27, HUD signed the NSP grant agreement and, on May 26th, 2009, LAHD was authorized to draw down funds through the DRGR.

During, and prior to, the first reporting period of April 1, 2009 thru June 30, 2009, the LAHD:

GENERAL

- Modified current housing rehabilitation construction specifications and cost tables to meet Green Communities standard;
- Created content for software on tablet computers to be used by Rehabilitation Construction Specialists for initial inspections of REO properties, development of scopes of work and cost estimates, pre-construction conferences, construction progress and final inspections;
- Created NSP modules in the City's HIMS (housing information management system) to capture detailed data on all NSP-funded projects per Federal Register requirements;
- Continued to market the Walk-In Program to lenders, realtors and homebuyer educators;
- Obtained HUD approval of DRGR narrative and budget plan;
- Submitted first drawdown request on May, once funds were unblocked;
- Made the first purchase assistance loan under the Walk-In Purchase Assistance with Rehabilitation Program

WALK-IN PROGRAM

- Prepared for new program, trained staff, revised program policies, procedures, loan documents and application packages as needed to reflect NSP regulations (rather than CDBG or HOME);
- Conducted 8 lender/real estate agent training sessions with a total of 561 participants;
- With LAHD Systems, created a webpage for potential homebuyers and realtors interested in the Walk-in Program at <http://lahd.lacity.org/nsp/> (see an article about LAHD's NSP website at <http://www.govtech.com/gt/658500>). This website enables residents to verify whether a home is in an NSP priority target area.

BULK PURCHASE OF REO PROPERTIES - operated by Restore Neighborhoods LA, Inc. (RNLA), the LAHD's Subrecipient

RNLA

- Worked with the National Community Stabilization Trust (NCST) to pilot test their "First Look" program to acquire REO properties from lenders/servicers;
- Modified NCST procedures to fit LAHD requirements;
- Developed policies and procedures to implement NSP;
- Met with affordable housing developers/managers interested in working with RNLA to own and manage rental properties occupied by and affordable to very low and low income households;
- Developed and advertised RFQ for general licensed contractors to undertake housing rehabilitation of purchased properties;
- Analyzed housing prices and rehabilitation costs in various target areas and created cash flow models;
- Prepared to purchase first property located at 315 W 9th St.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, NSP Homeownership	\$0.00	\$31,504.00	\$15,574,783.00	\$31,504.00
002, NSP Rental Housing	\$0.00	\$0.00	\$14,000,000.00	\$0.00
003, Program Administration	\$0.00	\$39,776.00	\$3,286,087.00	\$39,776.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$0.00	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 01 Program Administration

Activity Title: Program Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

003

Project Title:

Program Administration

Projected Start Date:

02/27/2009

Projected End Date:

02/26/2013

National Objective:

N/A

Responsible Organization:

Los Angeles Housing Department

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$3,286,087.00
Total CDBG Program Funds Budgeted	N/A	\$3,286,087.00
Program Funds Drawdown	\$39,776.00	\$39,776.00
Obligated CDBG DR Funds	\$39,776.00	\$39,776.00
Expended CDBG DR Funds	\$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 proposed administrative budget for the NSP program includes funds for one new LAHD staff position, equipment and contractual services including LAHDs CBDO Subrecipient, Restore Neighborhoods L.A., Inc. (RNLA)s administrative budget, and appraisal and computer programming, housing consulting, real estate data and accounting services.

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

During the last week of this QPR period, \$39,776 was obligated and drawn down from this activity for administrative costs. The funds were expended on July 1, 2009 (the beginning of the new QPR report period) and will appear as expended in the next QPR report. These funds were used to pay for consultant services to establish program procedures and subrecipient monitoring guidelines.

Performance Measures

No 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

Grantee Activity Number: 02 Homeownership Assistance - Walk-In Program

Activity Title: Homeownership Assistance - Walk-In Program

Activity Category:

Homeownership assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

001

Project Title:

NSP Homeownership

Projected Start Date:

02/27/2009

Projected End Date:

02/26/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Los Angeles Housing Department

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,250,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,250,000.00
Program Funds Drawdown	\$31,504.00	\$31,504.00
Obligated CDBG DR Funds	\$44,504.00	\$44,504.00
Expended CDBG DR Funds	\$31,504.00	\$31,504.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The NSP Homeownership Assistance Project features two components/activities. This component is similar to the homebuyer program currently operated by the Los Angeles Housing Department (LAHD), which offers purchase and rehabilitation loan assistance to eligible homebuyers. For this program, homebuyer households earning at or below 120% of the Area Median Income (AMI) will identify foreclosed upon single family homes to purchase as their primary residence. All foreclosed properties acquired with NSP funds must be located within designated target areas of greatest need and purchased at a minimum 5% discount from the current appraised value. The City, working with pre-approved lenders and rehabilitation contractors, will provide mortgage assistance and rehabilitation loans to eligible homebuyers using NSP funds. The second component is the Homeownership RNLA activity.

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

During the QPR period, \$44,504 was obligated for the purchase and rehabilitation of one single-family property at 8021 S. Vermont Ave. #25. Of this, \$31,504 was drawn down and expended for the purchase. The remaining \$13,000 is obligated for the rehabilitation. The homebuyer is middle income (between 80% and 120% AMI).

Performance Measures

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of housing units	0	0	1	0/0	0/0	1/80
# of Households benefitting	0	0	1	0/0	0/0	1/80

Activity Locations

Address	City	State	Zip
8021 S. Vermont Ave. #25	Los Angeles	NA	90044

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 Homeownership Assistance - RNLA

Activity Title: Homeownership Assistance - RNLA

Activity Category:

Homeownership assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

001

Project Title:

NSP Homeownership

Projected Start Date:

04/01/2009

Projected End Date:

02/26/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Los Angeles Housing Department

Overall

Apr 1 thru Jun 30, 2009

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
Obligated CDBG DR Funds	\$1.00	\$1.00
Expended CDBG DR Funds	\$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 NSP Homeownership Assistance Project features two components/activities. The first component is the 001 Homeownership Walk-In activity. This component will be carried out by a non-profit property holding and development company, Restore Neighborhoods L.A., Inc. (RNLA), whose primary task is the purchase, rehabilitation and resale of foreclosed or abandoned properties in the designated target areas. RNLA will purchase properties in bulk from lenders and loan servicers, with negotiated discounts of at least 15% of current market value, for ultimate resale to qualified owners. It is anticipated that RNLA will purchase single-family properties that require more extensive rehabilitation than those properties purchased by homebuyers participating in the first component of the NSP Homeownership Assistance Program since many properties will have been on the market for more than 90 days. Once the rehabilitation is completed under the oversight of RNLA, homes will be sold to qualified homebuyers at a price no greater than the total cost of acquisition, maintenance, rehabilitation and other cost items allowed by the NSP. RNLA is a Community-Based Development Organization (CBDO) Subrecipient of the Los Angeles Housing Department.

Location Description:

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Activity Progress Narrative:

No activity during this period.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/45
# of Households benefitting	0	0	0	0/0	0/0	0/45

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:	04 Rental Housing Small Properties
Activity Title:	Acq. and Rehab. of Rental Units Small Properties

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

002

Project Title:

NSP Rental Housing

Projected Start Date:

04/01/2009

Projected End Date:

02/26/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Los Angeles Housing Department

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,500,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$1.00	\$1.00
Expended CDBG DR Funds	\$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 NSP Rental Housing Activity will be implemented by Restore Neighborhoods L.A., Inc. (RNLA) RNLA will purchase rental properties and offer them through a competitive process for rehabilitation and ownership to qualified entities with demonstrated capacity and experience to maintain the properties as affordable rental housing. If necessary, RNLA will rehabilitate the properties and then offer them for sale. RNLA will be responsible for property management and all other activities that need to be completed in order to resell properties as affordable housing. Many properties may be covered by the Citys Rent Stabilization Ordinance (RSO) and it is expected that many of these properties will be occupied. The RSO does not allow evictions due to foreclosure, and LAHD does not intend to displace any tenants. Therefore, tenant incomes will most likely cover a wide range up to 120% AMI. Due to the location of LAHDs target areas, it would be extremely unlikely that tenant incomes would be above 120% AMI.

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

No activity during this period.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/39
# of Households benefitting	0	0	0	0/0	0/0	0/39

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 Rental Housing 25% set-aside Small Properties
Activity Title:	Acq and Rehab of Rental Units 50% AMI Small Prop.

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

002

Projected Start Date:

04/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

NSP Rental Housing

Projected End Date:

02/26/2013

Responsible Organization:

Los Angeles Housing Department

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,500,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$1.00	\$1.00
Expended CDBG DR Funds	\$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 NSP Rental Housing for Households At or Below 50% AMI Activity will be implemented by RNLA. RNLA will purchase rental properties in bulk and offer them through a competitive process for rehabilitation and ownership to qualified entities with demonstrated capacity and experience to maintain the properties as affordable rental housing. If necessary, RNLA will rehabilitate the properties and then offer them for sale. Rental units funded with this set-aside of the NSP will be available only to households with incomes at or below 50% of the area median income (AMI).

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

No activity during this period.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/55
# of Households benefitting	0	0	0	0/0	0/0	0/55

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:	06 Rental Housing Large Property 1
Activity Title:	Acq. and Rehab. of Rental Units Large Property 1

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

002

Project Title:

NSP Rental Housing

Projected Start Date:

04/01/2009

Projected End Date:

02/26/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Los Angeles Housing Department

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1.00
Total CDBG Program Funds Budgeted	N/A	\$1.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$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 NSP Rental Housing Activity will be implemented by Restore Neighborhoods L.A., Inc. (RNLA) RNLA will purchase rental properties and offer them through a competitive process for rehabilitation and ownership to qualified entities with demonstrated capacity and experience to maintain the properties as affordable rental housing. If necessary, RNLA will rehabilitate the properties and then offer them for sale. RNLA will be responsible for property management and all other activities that need to be completed in order to resell properties as affordable housing. Many properties may be covered by the Citys Rent Stabilization Ordinance (RSO) and it is expected that many of these properties will be occupied. The RSO does not allow evictions due to foreclosure, and LAHD does not intend to displace any tenants. Therefore, tenant incomes will most likely cover a wide range up to 120% AMI. Due to the location of LAHDs target areas, it would be extremely unlikely that tenant incomes would be above 120% AMI.

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

No activity during this period.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/38
# of Households benefitting	0	0	0	0/0	0/0	0/38

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:	07 Rental Units - 25% Set-aside Large Property 1
Activity Title:	Acq. and Rehab. of Rental Units (50% AMI)

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

002

Project Title:

NSP Rental Housing

Projected Start Date:

04/01/2009

Projected End Date:

02/26/2013

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Los Angeles Housing Department

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1.00
Total CDBG Program Funds Budgeted	N/A	\$1.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$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 NSP Rental Housing for Households At or Below 50% AMI Activity will be implemented by RNLA. RNLA will purchase rental properties in bulk and offer them through a competitive process for rehabilitation and ownership to qualified entities with demonstrated capacity and experience to maintain the properties as affordable rental housing. If necessary, RNLA will rehabilitate the properties and then offer them for sale. Rental units funded with this set-aside of the NSP will be available only to households with incomes at or below 50% of the area median income (AMI).

Location Description:

The Los Angeles Housing Department is located at 1200 W. 7th St., Los Angeles, CA 90017. The properties to be purchased will be located within the designated target areas of greatest need in the City of Los Angeles. RNLA is located at 315 W. Ninth Street, Suite 801, Los Angeles, CA 90015.

Activity Progress Narrative:

No activity during this period.

Performance Measures

This Report Period		Cumulative Actual Total / Expected			
Low	Mod	Total	Low	Mod	Total

# of housing units	0	0	0	0/0	0/0	0/54
# of Households benefitting	0	0	0	0/0	0/0	0/54

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
