

**Grantee: State of New York**

**Grant: B-11-DN-36-0001**

**October 1, 2012 thru December 31, 2012 Performance Report**

---



**Grant Number:**

B-11-DN-36-0001

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

State of New York

**Contract End Date:**

03/04/2014

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$5,000,000.00

**Grant Status:**

Active

**QPR Contact:**

Jason Pearson

**Estimated PI/RL Funds:****Total Budget:**

\$5,000,000.00

## Disasters:

**Declaration Number**

NSP

## Narratives

**Summary of Distribution and Uses of NSP Funds:**

In June 2011, HFA completed its RFP selection process and selected four Type B and E projects to award a total of \$4,500,000. HFA will retain \$500,000 for administrative purposes. The selected activities are detailed in the second NSP3 Substantial Amendment, which was submitted to HUD on June 30, 2011.

**How Fund Use Addresses Market Conditions:**

The selection process for the NSP3 program was designed to ensure that the limited NSP3 funds available were awarded to applicants with programs that have or will meet all federal requirements, demonstrate a significant need for the proposed activity, and produce a substantial impact to the community. Proposed areas of need were required to have an NSP3 Need Score of 16 or higher to ensure that funds give priority emphasis to areas with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage-related loans, and most likely to face a significant rise in the rate of home foreclosures.

**Ensuring Continued Affordability:**

Each of New York State's NSP3 programs will ensure affordability for different periods of time, but at a minimum will be consistent with the HOME program standards at 24 CFR 92.254. In all cases, affordability will be enforced through a mortgage, restrictive covenant, or other enforcement mechanism.

**Definition of Blighted Structure:**

The term "Blighted Structure" shall mean a structure that shows signs of deterioration that are sufficient to constitute a threat to human health, safety and public welfare and is considered substandard under local definition. This condition must be certified by an authorized government entity. Detailed explanation of the physical condition of the structure or structures is required to establish the extent of substandard and blighting conditions.

**Definition of Affordable Rents:**

During Year 1, if an NSP-assisted property consists of tenants with incomes at or below 50% of AMI, rents for such property may not exceed 30% of 50% of AMI, adjusted for family size and tenant-paid utilities; or  
 If an NSP-assisted property consists of tenants with incomes between 50% and 80% of AMI, the rents in such property may not exceed 30% of 80% of AMI, adjusted for family size and tenant-paid utilities; or  
 If an NSP-assisted property consists of tenants with incomes between 80% and 120% of AMI, the rents in such property may not exceed 30% of 120% of AMI, adjusted for family size and tenant-paid utilities.  
 During years 2 through the end of the affordability period, rents may increase by 2% per year. HFA will consider an alternate formula for rent increases based on local market conditions.

**Housing Rehabilitation/New Construction Standards:**

In addition to the housing rehabilitation standards required by NSP3, all rehabilitation activities assisted under NSP3 shall address health and safety violations, correct substandard conditions and make essential improvements. Such improvements shall include but are not limited to: performing energy-related repairs or improvements including the installation of Energy Star appliances and energy efficient windows, providing



for handicapped accessibility under reasonable accommodation and reasonable modification standards, the abatement of lead-based paint hazards and the repair or replacement of major housing systems in danger of failure. All rehabilitation must meet applicable local standards, codes and ordinances. Lead Based Paint standards apply to housing built prior to 1978.

**Vicinity Hiring:**

The grant agreement with HFA requires each subrecipient to provide for and report on the hiring of employees who reside in the vicinity of the project or contract with small businesses that are owned and operated by persons residing in the vicinity of the project.

**Procedures for Preferences for Affordable Rental Dev.:**

Through its RFP process, HFA created a preference for projects that will provide affordable rental housing.

**Grantee Contact Information:**

Jason Pearson  
 >New York State Housing Finance Agency  
 >641 Lexington Avenue, 4th Floor  
 >New York, NY 10022  
 >(212) 872-0470  
 >jpearson@nyshcr.org

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$4,000,000.00
<b>Total Budget</b>	\$0.00	\$4,000,000.00
<b>Total Obligated</b>	\$0.00	\$500,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$141,862.87
<b>Program Funds Drawdown</b>	\$0.00	\$141,862.87
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$1,658,815.38	\$1,658,815.38
<b>Match Contributed</b>	\$0.00	\$0.00

**Progress Toward Required Numeric Targets**

Requirement	Required	To Date
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$750,000.00	\$0.00
<b>Limit on Admin/Planning</b>	\$500,000.00	\$141,862.87
<b>Limit on State Admin</b>	\$0.00	\$141,862.87

**Progress Toward Activity Type Targets**

Activity Type	Target	Actual
<b>Administration</b>	\$500,000.00	\$500,000.00

**Progress Toward National Objective Targets**

National Objective	Target	Actual
<b>NSP Only - LH - 25% Set-Aside</b>	\$1,250,000.00	\$3,074,038.00



## Overall Progress Narrative:

On March 17, 2011, the New York State Housing Finance Agency (HFA), on behalf of the State, issued a Request For Proposals (RFP) to enable local governments, nonprofits, and for-profit providers to apply for the available \$4.5 million in NSP3 funds. Responses to the RFP were due on April 27, 2011. The selection process for the NSP3 program was designed to ensure that the limited NSP3 funds available were awarded to applicants with programs that have or will meet all federal requirements, demonstrate a significant need for the proposed activity, and produce a substantial impact to the community. Proposed areas of need were required to have an NSP3 Need Score of 16 or higher to ensure that funds give priority emphasis to areas with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage-related loans, and most likely to face a significant rise in the rate of home foreclosures. In addition, applications were competitively rated, scored, and selected based on, but not limited to, the following factors:

- Applicants that provided sufficient market analysis supporting the proposed activities in the identified target area;
- Programs that will result in the greatest impact in the identified target area(s) as defined as the percentage of foreclosed properties available within the past year that are intended to be acquired;
- Applicants with demonstrated capacity to implement their proposed programs and expend funds in advance of the statutory deadlines. Applicants must have met a minimum threshold of demonstrating that the respective applicant has successfully carried out and completed NSP3 eligible activities involving at least 25 units of homeownership housing or 75 units of rental housing within the 36-month period immediately preceding the date of the release of the RFP;
- Programs with a focused strategy for effective neighborhood stabilization, including addressing the factors that make the area vulnerable to future foreclosures;
- Programs that provide sustained affordability by incorporating green and sustainable development practices;
- Programs that develop affordable rental housing;
- Proposals that detailed how high quality pre-purchase counseling will be provided to new homebuyers;
- Programs that leverage the largest portions of additional funding sources;
- Applicants having direct knowledge and experience in the implementation of activities funded through the Neighborhood Stabilization, CDBG and HOME Programs, and in compliance with applicable federal and State statutory requirements that govern NSP3;
- Programs that serve the lowest possible incomes in a sustainable way, especially ones that serve households at or below 50% of AMI;
- Programs that achieve the longest possible affordability period;
- Programs that minimize displacement; and/or
- Programs that use the least amount of subsidy per unit.

In June 2011, HFA completed its initial selection process and identified four Type B and E projects to which it recommended awarding a total of \$4,500,000. HFA plans to retain \$500,000 for administrative purposes. The selected activities are detailed in the second NSP3 Substantial Amendment, which was submitted to HUD on June 30, 2011. The State received HUD's approval of the second NSP3 Substantial Amendment in August 2011, upon which it proceeded to complete its award approval process.

Award letters have since been issued to, and executed by, all three sub-grantees that the State chose to implement its NSP3 program. Grant agreements with two of the sub-grantees, the City of New York and the City of Rochester, have been executed, and each of these programs has commenced. The third sub-grantee, Suffolk County, has requested changes to its NSP3 program which require submission of a revised Substantial Amendment. In addition, the City of New York has requested to change one of its proposed projects. Both changes will be incorporated into the revised Substantial Amendment, and once approved by HUD, the program changes will be implemented and the Suffolk County grant agreement will be executed.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
ADMIN, Administration	\$0.00	\$500,000.00	\$141,862.87
E, Redevelopment	\$0.00	\$3,500,000.00	\$0.00



## Activities

<b>Grantee Activity Number:</b>	<b>3010</b>
<b>Activity Title:</b>	<b>City of New York</b>

**Activity Category:**

Construction of new housing

**Project Number:**

E

**Projected Start Date:**

05/01/2012

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Redevelopment

**Projected End Date:**

09/30/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

NYC Department of HPD

Overall	Oct 1 thru Dec 31, 2012	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$3,074,038.00
<b>Total Budget</b>	\$0.00	\$3,074,038.00
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$1,500,000.00	\$1,500,000.00
NYC Department of HPD	\$1,500,000.00	\$1,500,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

New York City will undertake a program that will expand upon several development projects that have been completed or are under development in the immediate area, some of which are funded under NSP2, and all of which are contributing to an overall effort to rehabilitate the East New York neighborhood of Brooklyn, which is experiencing high rates of foreclosure and has great need for affordable rental housing. The program consists of the new construction of seven buildings on seven contiguous and non-contiguous vacant lots in the East New York neighborhood of Brooklyn, creating 58 units of new rental housing. Within this program, New York State NSP3 funds will specifically be allocated to construct 17 units for income-qualifying families at or below 50% of AMI. These rental apartments will remain affordable for a period of at least 30 years, which will be enforced through a mortgage, restrictive covenant, or other enforcement mechanism. The grant agreement with HFA requires each subrecipient to provide for and report on the hiring of employees who reside in the vicinity of the project or contract with small businesses that are owned and operated by persons residing in the vicinity of the project.

### Location Description:

East New York neighborhood of Brooklyn (Kings County), New York

### Activity Progress Narrative:

One of two of the City of New York's NSP3 projects is under construction. The City has reported expenditures of \$1,500,000, the total of NSP3 funds allocated for this project. The City of New York will not be using the balance of its NSP3 award for the second project originally approved by New York State. Discussions about a substitute project are underway, and once new plans are finalized, the changes will be incorporated



into a new NSP3 Substantial Amendment to be approved by HUD.

### 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

No Other Funding Sources Found

Total Other Funding Sources

---



**Grantee Activity Number:** 3028

**Activity Title:** City of Rochester

**Activity Category:**

Construction of new housing

**Project Number:**

E

**Projected Start Date:**

05/01/2012

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Redevelopment

**Projected End Date:**

12/31/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Rochester

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$425,962.00
<b>Total Budget</b>	\$0.00	\$425,962.00
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$16,952.51	\$16,952.51
City of Rochester	\$16,952.51	\$16,952.51
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The City of Rochester will undertake a program to redevelop three City-owned vacant single-family homes in the Susan B. Anthony Preservation District located in the southwest quadrant of the City of Rochester, creating three units of rehabilitated homeownership housing for households between 80% and 120% of AMI. The three homes comprise 75% of the vacant properties in the neighborhood. The proposed program will expand upon several other affordable development projects that have been completed and/or under development in the immediate area, all of which are contributing to an overall effort to improve the southwest neighborhoods of the City. The program will have an affordability period of 15 years enforced through a mortgage, restrictive covenant, or other enforcement mechanism. The grant agreement with HFA requires each subrecipient to provide for and report on the hiring of employees who reside in the vicinity of the project or contract with small businesses that are owned and operated by persons residing in the vicinity of the project.

**Location Description:**

Susan B. Anthony Preservation District, Rochester, Monroe County, New York

**Activity Progress Narrative:**

Architectural design and construction documents are 100% complete for the three houses in the City of Rochester's NSP3 program. Construction for one home has commenced and is expected to be complete in May. Contractor bidding for the other two buildings will occur in July after the first property has sold.



## 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

No Other Funding Sources Found

Total Other Funding Sources

---

**Grantee Activity Number:** 6000-NYS Admin  
**Activity Title:** NSP3 Administration

**Activity Category:**

Administration

**Project Number:**

ADMIN

**Projected Start Date:**

03/04/2011

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

03/03/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

New York State Housing Finance Agency

**Overall**

	<b>Oct 1 thru Dec 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$500,000.00
<b>Total Budget</b>	\$0.00	\$500,000.00
<b>Total Obligated</b>	\$0.00	\$500,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$141,862.87
<b>Program Funds Drawdown</b>	\$0.00	\$141,862.87
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$141,862.87	\$141,862.87
New York State Housing Finance Agency	\$141,862.87	\$141,862.87
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

This activity was created to represent the 10 percent Administrative Set Aside of New York State's NSP3 award, for the purposes of drawing funds for the reimbursement of administrative and program related expenses.

**Location Description:**

The office of the grantee administering New York State's NSP3 award, the New York State Housing Finance Agency, is located at 641 Lexington Avenue, New York, New York 10022.

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.



## Activity Locations

Address	City	County	State	Zip	Status / Accept
			New York	-	Not Validated / N

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

---

