

**Grantee: State of New York**

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

**October 1, 2011 thru December 31, 2011 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	\$0.00
<b>Total Budget</b>	\$0.00	\$0.00
<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>	\$0.00	\$0.00
<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	\$0.00
<b>Limit on State Admin</b>	\$0.00	\$0.00

**Progress Toward Activity Type Targets**

Activity Type	Target	Actual
<b>Administration</b>	\$500,000.00	\$0.00

**Progress Toward National Objective Targets**

National Objective	Target	Actual
<b>NSP Only - LH - 25% Set-Aside</b>	\$1,250,000.00	\$0.00



## 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. Draft grant agreements have been issued to two of the sub-grantees, and HFA is in the process of negotiating and finalizing these agreements. The expectation is that all three agreements will be finalized and executed in the first quarter of 2012.

>

>While agreements are being negotiated, each of the State's sub-grantees is advancing its projects. This includes activities such as closing on project financing, securing municipal approvals, and assembling teams. A couple of the State's NSP3 projects consist of larger multifamily initiatives involving multiple funding sources and numerous partners, and therefore entail a more complex development process. The expectation is for the first project to close in mid-February 2012, and for the two other projects to commence either in the first quarter or very early in the second quarter of 2012.

# Project Summary

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



