

Grantee: Neighborhood Housing Services of Orange County

Grant: B-09-CN-CA-0049

April 1, 2012 thru June 30, 2012 Performance Report



Grant Number:
B-09-CN-CA-0049

Obligation Date:

Award Date:

Grantee Name:
Neighborhood Housing Services of Orange

Contract End Date:
02/11/2013

Review by HUD:
Original - In Progress

Grant Amount:
\$7,500,000.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

Estimated PIRL Funds:
\$3,827,250.00

Total Budget:
\$11,327,250.00

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

On behalf of members of the Home Again Consortium, Neighborhood Housing Services of Orange County (NHS OC) was awarded \$7,500,000 in NSP2 funds to acquire, rehabilitate and re-sell or rent at least 100 housing units in census tracts in Orange County with an average foreclosure need score of 18 or greater. The organizations that make up the HomeAgain Consortium formed a collaborative in 2008 to address how to reduce the impact of REOs in neighborhoods in Orange County. After becoming aware of the availability of NSP2 funds for non-profit organizations, the collaborative decided to apply for NSP2 funding as the HomeAgain Consortium to increase efforts to stem the negative effects of foreclosures on neighborhoods and property values throughout Orange County. The consortium members are all non-profit organizations who have histories of providing housing opportunities for very low to moderate income residents in the County. Orange County has been identified as one of the hardest hit areas in the country in terms of foreclosure. In Quarter 2 2008, 3,085 trustee deeds were recorded in Orange County, which was a 276% increase from the same quarter the year before, when only 821 trustee deeds were recorded. The rise in foreclosures negatively affected property values, which decreased by 41% in a 2 year period from mid 2007 to mid 2009, when the HomeAgain Consortium initially applied for the grant. The large rise in foreclosures led to a significant decline in homeownership rates and a further decline of neighborhood stabilization. Although home sales are rising and the market is slowly stabilizing, Orange County continues to see decreasing median home prices. In March 2012 the median home price in Orange County was \$400,000, which was down 7 percent from March 2011 (www.dqnews.com).

The consortium's NSP2 strategies include:

- Acquiring at least 100 housing units through the National Community Stabilization Trust and other means in a target geography which has an average combined foreclosure needs score of 18 or greater.
- At least 25 percent of the consortium's NSP2 funding will be used for the purchase of abandoned or foreclosed homes or residential properties that will be used to home individuals or families whose incomes do not exceed 50 percent of Area Median Income.
- Rehabilitate the properties to community standards and where possible use "Green Practices" when making repairs or replacements.
- Re-sell or rent the units to qualifying individuals or families. When re-selling properties, down payment assistance will be provided for households in need of assistance.

The four program activities are:

- Acquisition, Rehab, Resale &dash Single Family Residential (ARR-SFR) \$6,075,000 program funds
(This number has increased and was \$5,400,000 in the original application.)
- Acquisition Rehab, Rental &dash Single-Family (AAR-Rental) \$675,000 program funds

One strategy in selecting homes is to focus on properties that are least likely to be purchased because of the amount of rehabilitation required or the impact of foreclosures in the census tract. This will help neighborhoods and allow down payment assistance mortgages to be placed on the properties that are hard to sell.

The consortium will target completing acquisition and rehabilitation of 92 single family residential units and/or condominiums for resale and 8 units for rent. A number of the rental units are targeted to serve special needs populations. All of the rental units proposed will be targeted to serve households with incomes below 50% of Area Median Income. At least 6 of the single family residential units will be sold to households with incomes below 50% of Area Median Income. Income eligibility of all program applicants will be verified, including third party verifications. For-sale units will have a 30 year and 30 day affordability period and rental units will have a 55 year affordability period. No program beneficiary will have household income over 120% of Area Median Income. NSP2 funds will be used to acquire properties. Consortium members will rehabilitate the properties using their own rehabilitation staff, with



volunteers or with contractors selected through affirmative marketing.

The consortium will also provide down payment assistance loans which will be considered gap-financing that will be limited to the amount necessary to bridge the gap between the maximum first mortgage attainable and the amount the homebuyer needs to qualify for purchase of the home. Additional subordinated financing and grants may be used to create additional gap financing if needed.

The HomeAgain Consortium has also implemented a Short Term Lease-to-Purchase program. In some cases, when there is difficulty selling properties due to market declines or legal issues related to Homeowner associations, the HomeAgain Consortium members may lease a unit with an option to purchase.

Selected Consortium Members will also acquire and rehabilitate foreclosed properties that will serve as single family or special needs rentals. This program may require a variety of additional funding based on the size of the property, such as: redevelopment housing funds, tax credit financing, as well as other State and Federal sources. The Consortium plans to rent these units to households at or below 50% of the area median income. Deferred loans or grants will be provided to the Multi-Family projects to allow them to achieve the level of affordability required. This gap financing will be secured by a note or covenant.

At a minimum, 50% of the grant funds will be expended by February 2012 and all of the grant will be expended by February 2013. NHS OC will use 10% of the grant funds for Administration.

Target Geography:

The Target Geography includes the following census tracts in Orange County, California with an average foreclosure need score of 18:

11.01,741.02, 13.01, 741.06, 13.03, 741.07, 15.01, 741.11, 15.05, 742.00, 17.04, 743.00, 17.07, 744.03, 110.00, 744.07, 117.15, 744.08, 117.16, 745.01, 218.02, 746.01, 219.13, 746.02, 219.20, 747.01, 219.23, 747.02, 320.02, 748.01, 320.14, 748.02, 320.15, 748.03, 320.23, 748.05, 320.27, 749.01, 320.28, 749.02, 320.34, 750.02, 320.38, 750.03, 320.39, 751.00, 320.44, 752.01, 320.48, 752.02, 320.49, 754.03, 320.50, 755.15, 320.51, 756.04, 320.52, 756.07, 320.53, 760.00, 320.56, 761.02, 421.11, 863.01, 421.12, 864.04, 422.03, 865.02, 422.05, 867.01, 423.07, 867.02, 423.10, 870.02, 423.12, 871.03, 423.15, 876.02, 423.20, 877.03, 423.27, 877.04, 423.32, 878.01, 423.35, 878.02, 524.08, 878.03, 524.16, 878.06, 524.18, 884.03, 524.20, 886.01, 524.24, 888.01, 524.27, 890.03, 524.28, 890.04, 525.02, 891.02, 525.17, 891.05, 525.25, 992.02, 525.27, 992.15, 626.04, 992.31, 626.10, 992.43, 626.12, 992.48, 626.21, 994.13, 626.25, 995.14, 626.33, 997.02, 626.38, 1,102.01, 626.39, 1,103.01, 626.43, 1,104.01, 740.04, 1,106.04, 740.06

The housing median prices throughout the County of Orange have tumbled from \$645,000 in June 2007 to \$380,000 in April 2009; representing a price decrease of 41%. These plummeting home values have only added to the number of housing foreclosures, even from steady home owners as they walk away from homes with negative equity. In March 2012, the median home price remains low compared to 2007, at \$400,000 (www.dqnews.com).

Lower housing prices may seem to benefit the cause of homeownership in the County of Orange as the market adjusts from previous overvaluation, however, the unemployment rate as of February 2009 in Orange County was 7.8% and has risen to 8% in February 2012. This level of unemployment in Orange County severely undermines the ability for residents of the County to meet their basic housing needs as well as receive credit for proceeding into the future.

Renters have also experienced loss of housing due to foreclosure in Orange County. Though not as prevalent as that of foreclosure of single family homes, an opportunity exists to acquire rental properties either of one to four units or more than five units to create affordable long term rental options for very low income families which are needed throughout the county.

Program Approach:

The Consortium will purchase and rehab properties in census tracts in Orange County with an average foreclosure needs score of 18 or greater. This will help to support older neighborhoods with a greater need for structure rehabilitation and will make it possible to access troubled rental projects that otherwise may not be eligible for NSP2 funding.

The Home Again Consortium has four Proposed Activities that require NSP2 funding:

1. Acquisition, Rehabilitation and Resale - Single Family Residences Program (ARR-SFR)
2. Acquisition, Rehabilitation and Rental Program (ARR-Rental)
3. Homebuyer Assistance Program (DPA-SFR)
4. Administrative costs will not exceed 10% of NSP2 funding.

For clarification, the Consortium intends to provide Homebuyer Assistance in the form of a deferred 2nd or 3rd mortgages on the for sale properties. For the most part, the Consortium plans to provide this assistance to homebuyers that will purchase homes that have been purchased and rehabilitated by one of the Consortium Members with NSP funds. Thus, this Action Plan reflects moving the 45 units of Homebuyer Assistance totaling \$2,700,000 to the Acquisition, Rehab, Resale activity. This would increase the ARR-SFR activity for a total of \$6,075,000 with the ARR-Rental activity at \$675,000. In the case that it is necessary to acquire NSP homes with private funds, NSP funds may also be used for Homebuyer down payment assistance for homes acquired with private funds.

Consortium Members:

Affordable Housing Clearinghouse
Orange County Community Housing Corporation
Irvine Community Land Trust
Habitat for Humanity of Orange County
Mary Erickson Community Housing
Community Housing Resources Inc.
Neighborhood Housing Services of Orange County, Inc.



How to Get Additional Information:

Please contact Blair Schaeffer-Bisht at 714-409-3431blairs@nhsoc.org or Ron Rohrer at (714) 409-3440 ronr@nhsoc.org.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$11,327,250.00
Total Budget	\$425,250.00	\$11,327,250.00
Total Obligated	\$0.00	\$5,692,864.79
Total Funds Drawdown	\$0.00	\$5,493,737.99
Program Funds Drawdown	\$0.00	\$5,150,679.59
Program Income Drawdown	\$0.00	\$343,058.40
Program Income Received	\$0.00	\$619,130.95
Total Funds Expended	\$0.00	\$5,493,737.99
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	\$0.00	\$0.00
Limit on Admin/Planning	\$750,000.00	\$354,431.16
Limit on State Admin	\$0.00	\$354,431.16

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$750,000.00	\$1,132,725.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,875,000.00	\$3,329,781.90

Overall Progress Narrative:

On May 4, 2012 the HomeAgain Consortium made a change to the NSP2 Action Plan. Mary Erickson Community Housing (MECH) was allocated \$675,000 to acquire, rehabilitate and rent 8 units to households at or below 50% Area Median Income. Since MECH was not able to purchase a rental property that fit the NSP2 requirements within their budget, MECH will now use their \$675,000 allocation to acquire, rehabilitate and resell 8 units to households at or below 50% Area Median Income.



Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
ARR-Rental, ARR-Rental	\$0.00	\$675,000.00	\$510,736.00
ARR-SFR, ARR-SFR	\$0.00	\$9,519,525.00	\$4,307,779.68
Administration, Administration	\$0.00	\$1,132,725.00	\$332,163.91
DPA-SFR, DPA-SFR	\$0.00	\$0.00	\$0.00



Activities

Grantee Activity Number: Administration
Activity Title: Administration

Activity Category:

Administration

Project Number:

Administration

Projected Start Date:

02/11/2010

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

Neighborhood Housing Services of Orange County

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$1,132,725.00
Total Budget	\$42,525.00	\$1,132,725.00
Total Obligated	\$0.00	\$354,431.16
Total Funds Drawdown	\$0.00	\$354,431.16
Program Funds Drawdown	\$0.00	\$332,163.91
Program Income Drawdown	\$0.00	\$22,267.25
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$354,431.16
Match Contributed	\$0.00	\$0.00

Activity Description:

Administration of NSP2 funds.

Location Description:

The majority of the administration will be carried out by Neighborhood Housing Services of Orange County at 50 S. Anaheim Blvd, Anaheim, CA, Suite 90 and 198 W. Lincoln Ave, 2nd floor, Anaheim, CA 92805. The mailing address for our office is at Neighborhood Housing Services of Orange County's main office 198 W. Lincoln Ave, Second Floor, Anaheim, CA. Activities charged to administration may occur in other locations and be carried out by other Consortium Members.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
US Department of Housing and Urban Development	\$0.00
Total Other Funding Sources	\$0.00



Grantee Activity Number:	MECH ARR-Rental LH25
Activity Title:	MECH Acquisition, Rehab, Rental Single Family LH25

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

ARR-Rental

Project Title:

ARR-Rental

Projected Start Date:

05/01/2010

Projected End Date:

02/11/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Mary Erickson Community Housing

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2012

N/A

To Date

\$0.00

Total Budget

(\$675,000.00)

\$0.00

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

Match Contributed

\$0.00

\$0.00

Activity Description:

Mary Erickson Community Housing (MECH) originally intended to acquire, rehabilitate, and rent single family residential properties. After searching for a rental property, MECH was not able to find a rental property that fits the NSP2 program requirements and their budget. Thus, MECH has changed activities from acquisition, rehab, and rental to acquisition, rehab, and resale.

Location Description:

The Target Geography includes the following census tracts in Orange County, California with an average foreclosure need score of 18:

11.01,741.02, 13.01, 741.06, 13.03, 741.07, 15.01, 741.11, 15.05, 742.00, 17.04, 743.00, 17.07, 744.03, 110.00, 744.07, 117.15, 744.08, 117.16, 745.01, 218.02, 746.01, 219.13, 746.02, 219.20, 747.01, 219.23, 747.02, 320.02, 748.01, 320.14, 748.02, 320.15, 748.03, 320.23, 748.05, 320.27, 749.01, 320.28, 749.02, 320.34, 750.02, 320.38, 750.03, 320.39, 751.00, 320.44, 752.01, 320.48, 752.02, 320.49, 754.03, 320.50, 755.15, 320.51, 756.04, 320.52, 756.07, 320.53, 760.00, 320.56, 761.02, 421.11, 863.01, 421.12, 864.04, 422.03, 865.02, 422.05, 867.01, 423.07, 867.02, 423.10, 870.02, 423.12, 871.03, 423.15, 876.02, 423.20, 877.03, 423.27, 877.04, 423.32, 878.01, 423.35, 878.02, 524.08, 878.03, 524.16, 878.06, 524.18, 884.03, 524.20, 886.01, 524.24, 888.01, 524.27, 890.03, 524.28, 890.04, 525.02, 891.02, 525.17, 891.05, 525.25, 992.02, 525.27, 992.15, 626.04, 992.31, 626.10, 992.43, 626.12, 992.48, 626.21, 994.13, 626.25, 995.14, 626.33, 997.02, 626.38, 1,102.01, 626.39, 1,103.01, 626.43, 1,104.01, 740.04, 1,106.04, 740.06

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/0
#Light Fixtures (indoors) replaced	0	0/0
#Light fixtures (outdoors) replaced	0	0/0
#Low flow toilets	0	0/0
#Low flow showerheads	0	0/0

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

Beneficiaries Performance Measures

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

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
US Department of Housing and Urban Development	\$0.00
Total Other Funding Sources	\$0.00



Grantee Activity Number: MECH ARR-SFR LH25
Activity Title: Mary Erickson Com Hsg Acq, Rehab, Resale LH25

Activity Category:
 Rehabilitation/reconstruction of residential structures

Activity Status:
 Under Way

Project Number:
 ARR-SFR

Project Title:
 ARR-SFR

Projected Start Date:
 04/23/2012

Projected End Date:
 02/11/2013

Benefit Type:
 Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:
 NSP Only - LH - 25% Set-Aside

Responsible Organization:
 Mary Erickson Community Housing

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$1,057,725.00
Total Budget	\$1,057,725.00	\$1,057,725.00
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
Mary Erickson Community Housing	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Mary Erickson Community Housing is to acquire, rehab, and resell single family residential properties to households below 50% of the area median income.

Location Description:

The Target Geography includes the following census tracts in Orange County, California with an average foreclosure need score of 18:

11.01,741.02, 13.01, 741.06, 13.03, 741.07, 15.01, 741.11, 15.05, 742.00, 17.04, 743.00, 17.07, 744.03, 110.00, 744.07, 117.15, 744.08, 117.16, 745.01, 218.02, 746.01, 219.13, 746.02, 219.20, 747.01, 219.23, 747.02, 320.02, 748.01, 320.14, 748.02, 320.15, 748.03, 320.23, 748.05, 320.27, 749.01, 320.28, 749.02, 320.34, 750.02, 320.38, 750.03, 320.39, 751.00, 320.44, 752.01, 320.48, 752.02, 320.49, 754.03, 320.50, 755.15, 320.51, 756.04, 320.52, 756.07, 320.53, 760.00, 320.56, 761.02, 421.11, 863.01, 421.12, 864.04, 422.03, 865.02, 422.05, 867.01, 423.07, 867.02, 423.10, 870.02, 423.12, 871.03, 423.15, 876.02, 423.20, 877.03, 423.27, 877.04, 423.32, 878.01, 423.35, 878.02, 524.08, 878.03, 524.16, 878.06, 524.18, 884.03, 524.20, 886.01, 524.24, 888.01, 524.27, 890.03, 524.28, 890.04, 525.02, 891.02, 525.17, 891.05, 525.25, 992.02, 525.27, 992.15, 626.04, 992.31, 626.10, 992.43, 626.12, 992.48, 626.21, 994.13, 626.25, 995.14, 626.33, 997.02, 626.38, 1,102.01, 626.39, 1,103.01, 626.43, 1,104.01, 740.04, 1,106.04, 740.06

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		0/8	
#Light Fixtures (indoors) replaced	0		0/8	
#Light fixtures (outdoors) replaced	0		0/8	
#Low flow toilets	0		0/4	
#Low flow showerheads	0		0/8	

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

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/8	0/0	0/8	0
# Owner Households	0	0	0	0/8	0/0	0/8	0
# Renter Households	0	0	0	0/0	0/0	0/0	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

