

**Grantee: San Jose, CA**

**Grant: B-08-MN-06-0008**

**April 1, 2010 thru June 30, 2010 Performance Report**

**Grant Number:**

B-08-MN-06-0008

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

San Jose, CA

**Award Date:****Grant Amount:**

\$5,628,283.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Submitted - Await for Review

**QPR Contact:**

No QPR Contact Found

**Disasters:****Declaration Number**

NSP

**Plan Description:****Recovery Needs:****Overall****Total Projected Budget from All Sources****Total CDBG Program Funds Budgeted****Program Funds Drawdown****Obligated CDBG DR Funds****Expended CDBG DR Funds****Match Contributed****Program Income Received****Program Income Drawdown****This Report Period**

N/A

N/A

\$1,920,943.91

\$1,700,000.00

\$7,563.26

\$400,000.00

\$266,822.26

\$0.00

**To Date**

\$5,628,283.00

\$5,628,283.00

\$4,001,085.86

\$5,407,070.00

\$1,059,017.46

\$1,425,000.00

\$266,822.26

\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	12.782%
Minimum Non-Federal Match	\$0.00	\$1,425,000.00
Limit on Public Services	\$844,242.45	\$0.00
Limit on Admin/Planning	\$562,828.30	\$0.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,407,070.75	\$1,407,070.00

## Overall Progress Narrative:

This reporting period has been very successful. Of the twelve homes purchased under activity 2a, seven homes were completed and placed on the market for resale. Five homes were under construction. The program success comes from the sale of five homes all to low-income households. Four female head of household homebuyers have been approved for NSP1 homebuyer assistance for a total of \$285,646. Two homes have closed escrow with a net program income of \$266,822.26, which will be reinvested in additional acquisitions. The Developer, Community Rehabilitation Partners have participated/facilitated in 45 affirmative marketing activities and documented on the Affirmative Marketing Quarterly Report. Signage on the property, announcing the partnership between HUD, the City and CRP has average 50 calls per month.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Rental Housing Development Program	\$1,401.38	\$1,407,070.00	\$868,109.61
2, Homebuyer Acquisition/Rehabilitation Program	\$1,919,542.53	\$3,799,002.00	\$3,132,976.25
3, Administration	\$0.00	\$422,211.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** 1a

**Activity Title:** Rental Housing Devt - 127 Roundtable

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Rental Housing Development Program

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/18/2013

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

City of San Jose, Housing Department

**Overall**

**Apr 1 thru Jun 30, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$775,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$775,000.00
<b>Program Funds Drawdown</b>	\$216.56	\$478,287.59
<b>Obligated CDBG DR Funds</b>	\$0.00	\$775,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$488,964.22
City of San Jose, Housing Department	\$0.00	\$488,964.22
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The City's first program will be to purchase and rehabilitate or redevelop multi-family affordable rental housing properties located in highly impacted areas. By acquiring and combining contiguous properties, the City will pursue construction of higher-density rental housing, thereby increasing the number of rental housing units affordable to low- and very-low income households. The City has already identified an unusually large number of four-plexes in highly impacted neighborhoods that are in the foreclosure process which has led to displacement of primarily low-income families. These properties will be made available for redevelopment by nonprofit housing developers through a competitive bid process. Qualified bidders will be required to demonstrate capacity and experience to maintain the properties as affordable rental housing.

Additionally, the City will seek opportunities to work with nonprofit housing developers, such as Senior Housing Solutions, to convert single family homes to shared housing rental properties. These rental properties will be for the benefit of very-low income tenants at or below 50% AMI. The City will require a minimum affordability period consistent with HOME requirements. To ensure continued affordability, owners of NSP rental properties will be required to enter into an Affordability Restriction agreement that runs with the land for the duration of the affordability period that restricts the rent and income level of tenants that reside in the property. Affordable rents will be established in accordance with the NSP requirements and the definition of "affordable rents" contained in Section C - Definitions and Descriptions.

Properties acquired will be purchased at the NSP required discount of 15% below current market appraisal. The appraisal will be current, within 60-days of the offer. In accordance with NSP requirement to spend at least 25% of funds to assist households earning less than 50% AMI, the majority of rental housing units will be affordable to households at or below that income level.

**Location Description:**

Areas of greatest need which fall in the Strong Neighborhood Initiative areas primarily in East, Central and parts of South San Jose, including zipcodes 95111, 95116, 95122 and 95127. These area ranked between 7 and 10 on HUD's Foreclosures and Abandonment Risk Scores.

**Activity Progress Narrative:**

The scope of work and rehabilitation contract are under development to provide the Developer, Community Rehabilitation Partner (CRP) the funding needed to rehabilitate the four-plex. It is expected that the contract will be in place by August 31, 2010.

A Request for Proposal is being developed for the resale to nonprofits providing housing services to special needs populations.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	4/1
# of housing units	0	0	4	0/0	0/0	16/4
# of Households benefitting	0	0	0	4/4	0/0	4/4

## 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

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**Grantee Activity Number: 1b**

**Activity Title: Rental Housing Devt.-110 Roundtable**

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Rental Housing Development Program

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/18/2013

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

City of San Jose, Housing Department

**Overall**

**Apr 1 thru Jun 30, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$632,070.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$632,070.00
<b>Program Funds Drawdown</b>	\$1,184.82	\$389,822.02
<b>Obligated CDBG DR Funds</b>	\$0.00	\$632,070.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of San Jose, Housing Department	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

**Location Description:**

This property is located at 110 Roundtable Dr. is within the eligible zipcode 95111. The property was purchased on \_\_\_\_\_ for \$382,000.

**Activity Progress Narrative:**

Scope of work and contract with the Developer, CRP is in process. Expected to be complete by August 31, 2010. A Request for Proposal is being developed for the resale of the property to nonprofits providing services to special needs populations.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	2/1
# of housing units	0	0	4	0/0	0/0	8/4
# of Households benefitting	0	0	0	4/4	0/0	4/4

**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

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<b>Grantee Activity Number:</b>	<b>2a</b>
<b>Activity Title:</b>	<b>Homebuyer Acquisition</b>

**Activity Category:**

Acquisition - general

**Project Number:**

2

**Projected Start Date:**

03/18/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Homebuyer Acquisition/Rehabilitation Program

**Projected End Date:**

03/18/2013

**Responsible Organization:**

City of San Jose, Housing Department

### Overall

### Apr 1 thru Jun 30, 2010

### To Date

<b>Total Projected Budget from All Sources</b>	N/A	\$2,500,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,500,000.00
<b>Program Funds Drawdown</b>	\$1,367,087.42	\$2,429,769.45
<b>Obligated CDBG DR Funds</b>	\$1,300,000.00	\$2,500,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$562,489.98
City of San Jose, Housing Department	\$0.00	\$562,489.98
<b>Match Contributed</b>	\$400,000.00	\$1,425,000.00
<b>Program Income Received</b>	\$266,822.26	\$266,822.26
<b>Program Income Drawdown</b>	\$0.00	\$0.00

### Activity Description:

The City's second program for NSP funds will be to assist lower-, moderate-, and middle-income (LMMH) households or eligible nonprofit organizations providing services to low-, moderate, and middle-income clients (LMMI), to acquire single-family homes. In this program, the City will acquire single-family homes in foreclosure, rehabilitate them to mitigate any damage due to deferred maintenance or vandalism, and sell them at or below the cost to acquire and rehabilitate, to income-qualified households or nonprofits.

Under the City's existing Homebuyer Program, it currently maintains adequate program infrastructure and staff capacity to operate this program. It is envisioned that City staff will complete the acquisition process including the 15% discount negotiations. Once acquired, the properties will be rehabilitated by contractors selected through a competitive RFQ/RFP process. Rehabilitation will include repairs as identified in Section C.4.-description of rehabilitation standards that will apply to NSP assisted activities. The City will explore the option of working with one of its nonprofit housing partners to facilitate the acquisition, rehabilitation and/or resale transactions, as is most cost-efficient. The Homebuyer Acquisition/Rehabilitation Program will operate under the CDBG housing rehabilitation and HOME guidelines, as amended by NSP to include households with income less than 120%.

Resale to income-eligible homebuyers will be at or below the aggregated costs to purchase, maintain, and rehabilitate the properties and other delivery costs as allowed by NSP.

### Location Description:

The City entered into a contractual agreement with Community Rehabilitation Partners, a collaboration between a local realtor and construction company. Coldwell Banker, familiar with the targeted areas, is responsible for identifying eligible properties and negotiating the purchase transaction. As of March 15, 2010, six properties have been acquired at 1% below asking price. The average purchase price is \$325,000. The properties are all within the eligible zip codes of 95111, 95116, 95122 and 95127.

### Activity Progress Narrative:

Twelve single family residences have been acquired, five have been sold and seven are under various phases of construction. Two of the homes have closed escrow thereby generating \$266,822 in program income for re-investment. Both homes were sold to low-income, female head of household, which were qualified for NSP1 homebuyer assistance loans totaling \$164,000. Two additional clients are being considered for homebuyer assistance for an estimated \$121,646. During this reporting period, the Developer, Community Rehabilitation Partners (CRP) continues to actively market the available homes by participating in affirmative marketing activities. The attended/facilitated 45 activities, average 50 calls per month as a result of signage located on the property announcing the federal, City and developer partnership and funding sources. Working with the City, CRP created a Public Marketing Outreach Plan to appropriate efforts are being made to reach out to targeted populations. A quarterly report is provided on these efforts. This activity is on hold until the receipt of additional program income and the near completion of the rehab on the remaining unsold units.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	12	0/0	0/0	24/20
# of housing units	0	0	12	0/0	0/0	24/20
# of Households benefitting	0	0	12	0/0	2/0	14/20

### 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	

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**Grantee Activity Number:** 2b

**Activity Title:** Homebuyer Rehabilitation

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

2

**Project Title:**

Homebuyer Acquisition/Rehabilitation Program

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/18/2013

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of San Jose, Housing Department

**Overall**

**Apr 1 thru Jun 30, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$1,199,002.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,199,002.00
<b>Program Funds Drawdown</b>	\$552,455.11	\$703,206.80
<b>Obligated CDBG DR Funds</b>	\$300,000.00	\$1,100,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of San Jose, Housing Department	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Three properties are in the rehabilitation stage. It is anticipated that 3569 Louis Crt will be complete by March 25, 2010 and 908 Gerard Way will be complete by March 15, 2010. An open house is scheduled for March 27, 2010. This is an opportunity to share the housing opportunities in the impacted areas. These homes have been transformed from the worst on th block to a beautiful home to live in. The homes have been upgraded using the Green Standards. The average rehabilitation is \$150,000.

**Location Description:**

Properties are located within four eligible zipcodes including 95111, 95116, 95122 and 95127. The individual properties are listed below:

1. 3569 Louis Court
2. 908 Gerard Way
3. 3334 Mt. Everest Dr
4. 4077 San Ramon Way
5. 2196 Huran Dr
- 6 1706 Berona Way

**Activity Progress Narrative:**

Seven of the 12 properties are under various phases of construction. Five properties have been sold with two closing escrow. It is expected that all seven remaining properties be completed within the next three months.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
<b># of Properties</b>	0	0	12	0/0	0/0	12/20
<b># of housing units</b>	0	0	12	0/0	0/0	12/20
<b># of Households benefitting</b>	5	0	5	5/0	0/0	5/20

## 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

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**Grantee Activity Number:** 2c

**Activity Title:** Sale and Disposition

**Activity Category:**

Disposition

**Activity Status:**

Under Way

**Project Number:**

2

**Project Title:**

Homebuyer Acquisition/Rehabilitation Program

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/18/2013

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of San Jose, Housing Department

**Overall**

**Apr 1 thru Jun 30, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$100,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$100,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$100,000.00	\$100,000.00
<b>Expended CDBG DR Funds</b>	\$7,563.26	\$7,563.26
City of San Jose, Housing Department	\$7,563.26	\$7,563.26
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Costs to re-sell single family residences acquired, rehabilitated and re-sold to income eligible buyers.

**Location Description:**

Disposition of single family residences purchased in targeted zip codes. See Activity 2a for list of projects.

**Activity Progress Narrative:**

Out of the five homes under purchase agreements, two closed escrow for a total program income of of \$266,822.26. Both clients received NSP1 homebuyer financing, allowing low-income, female head of households to purchase their first home. NSP1 other disposition cost totaled \$7,562.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	2	0/0	0/0	2/12
# of Households benefitting	2	0	2	2/0	0/0	2/12

**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

<b>Grantee Activity Number:</b>	<b>3</b>
<b>Activity Title:</b>	<b>Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

3

**Project Title:**

Administration

**Projected Start Date:**

03/18/2009

**Projected End Date:**

03/18/2013

**National Objective:**

N/A

**Responsible Organization:**

City of San Jose, Housing Department

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$422,211.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$422,211.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$300,000.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of San Jose, Housing Department	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The City of San Jose will administer the program funds in accordance with NSP regulations.

NSP funds will be used for the acquisition and rehabilitation of foreclosed upon properties in the identified target areas of greatest need, specifically within the zip codes identified in Table 2. Although \$5.6 million is a large sum, given the cost of housing and property rehabilitation in Santa Clara County, particularly in San Jose, the City will leverage other resources to increase the number of housing units assisted with NSP funds. Therefore, as required by HUD, clearly defined target areas will be established to ensure that the areas of greatest need are addressed for the maximum positive impact, with programs that operate efficiently and effectively, such as the Strong Neighborhood Initiative efforts and the CDBG neighborhood improvement projects. The City will also seek additional funding from the State to address the foreclosure needs of the City of San Jose.

NSP funds will be focused on the areas that have ranked seven or above, where the majority of households have incomes that do not exceed the 120% AMI, and fall within an SNI area. These areas are outlined on Exhibit #.

Within the identified areas of greatest need, NSP funds will be used to acquire and rehabilitate foreclosed upon properties to be occupied by owner and renter households having income of less than 120% AMI, with at least 25% of the funds set aside to assist households having incomes at or below 50% AMI. The table below shows the budget breakdown.

NSP Budget  
 Minimum 25% VLI Set-Aside  
 \$1,407,070  
 Direct Program Costs  
 \$3,799,002  
 Administration  
 \$422,211



