

Grantee: Apple Valley, CA

Grant: B-08-MN-06-0502

January 1, 2011 thru March 31, 2011 Performance Report



Grant Number:

B-08-MN-06-0502

Obligation Date:

03/05/2009

Award Date:

02/27/2009

Grantee Name:

Apple Valley, CA

Contract End Date:

02/27/2013

Review by HUD:

Reviewed and Approved

Grant Amount:

\$3,064,836.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$3,064,836.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Areas of Greatest Need:**Distribution and and Uses of Funds:**

NSP Administrative funds will be used in conformance with 24 CFR 570.206. Eligible pre-award costs may be incurred in order to develop the NSP Plan and undertake other administrative actions necessary to receive the grant. The NSP Down Payment Assistance Program will be implemented Town-wide with an emphasis on foreclosure properties located in low income census tracts, redevelopment project areas (Census Tracts 97.09, 97.10, 97.12, 97.13, 97.14, 97.16). Although data indicates that the highest foreclosure rates (11.0%-11.8%) occurred in this target area, an estimated 46% of foreclosures also occurred outside the low income census tracts/redevelopment project areas and are spread out throughout the community. The overall foreclosure rate in Apple Valley is 10.3%. The Down Payment Assistance Program will provide down payment assistance, including closing costs, to income eligible households earning no greater than 120% of adjusted median income. The principal, interest, taxes and insurance will not exceed 30% of the household's adjusted median income. A 1% down payment is required of the household. The buyer will first secure a first mortgage with a fixed-rate, fully amortized, 30 year loan. The Town's assistance is in the form of a second mortgage loan at 0% interest rate, deferred and forgiven at the end of the term of the loan (30 years). If the property is sold, or the buyer ceases to occupy the residence, or the property is refinanced and cash is taken out, the loan will become immediately due and payable. Affordability covenants meeting, at a minimum, requirements set by HOME regulations will be placed on all properties participating in this program. All home buyers will attend an 8 hour home buyer education workshop prior to loan funding. In addition, the average purchase discount for all properties purchased with NSP funds for this program during the 18-month use period has been revised to 1% per HUD regulations. Acquisition/Rehabilitation/New Construction for Multi-residential uses will be used to finance, acquire, rehabilitate or provide new construction on vacant foreclosed properties for the purposes of providing multi-residential rental or homeownership opportunities. Funds may be used for a variety of purposes to include acquisition of land for future development of multi-residential housing acquisition/rehabilitation for use as transitional housing facilities, and acquisition/construction of incomplete residential projects. Furthermore, the Town of Apple Valley intends to utilize funds for potential acquisition, rehabilitation, new construction or completion of new construction for the purposes of rental to income eligible households, or rental to income eligible households in a rent-to-own plan, or direct sale to income eligible households or direct homeownership assistance. Apple Valley may partner with non-profit developers and will endeavor to participate in joint regional partnerships in the area of transitional housing. Affordability covenants meeting, at a minimum, requirements set by HOME regulations will be placed on all properties participating in this program. The average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 1%.

Definitions and Descriptions:**Low Income Targeting:**

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$3,064,836.00
Total Budget	\$0.00	\$3,064,836.00
Total Obligated	\$0.00	\$3,064,836.00
Total Funds Drawdown	\$0.00	\$3,034,878.16
Program Funds Drawdown	\$0.00	\$3,034,878.16
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$2,446,167.67
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	\$459,725.40	\$0.00
Limit on Admin/Planning	\$306,483.60	\$306,483.00
Limit on State Admin	\$0.00	\$306,483.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$766,209.00	\$766,209.00

Overall Progress Narrative:

NO CHANGES DURING THIS REPORTING PERIOD.

To date, the Town of Apple Valley Housing Section staff has successfully expended \$1,248,625.24 of the \$1,250,000 allocated for our Neighborhood Stabilization Program/Down Payment Assistance Program (NSP/DAP) fund leaving a balance of \$1,374.76. Administrative funds are completely exhausted and were used for training, education, and salaries for the employees administering and implementing the program. A portion of administrative funds have also been utilized for homebuyer education expenses for loans that fell out of the process. A couple housekeeping items include: One (1) loan that wasn't included in the last quarter's QPR. It is included



in this current submission. One loan was erroneously charged to the 25% set-asides that should have been charged against the greater than 50% AMI funds. Another loan charged against 50% AMI or greater, should have been charged to 25% set-asides. One loan was split between 25% set-asides and the 50% AMI or greater funds due to the fact that not enough funding was available in the 25% set-aside fund. As a result, the Town actually exceeded the 25% set-aside requirement of \$766,209 and actually expended \$779,254.88 to assist those at 50% AMI or less. The budget for Activity #5 --funding for 50% AMI or greater actually totals \$470,745.12. The Town expended \$440,787.28 of this funding leaving the net balance of \$29,957.84 as mentioned above.

Funding in the amount of \$1,503,353 earmarked for the acquisition of a foreclosed 34-unit townhouse-condominium project that was not fully constructed was fully expended last quarter. After construction is complete, the units will be administered by a local CHDO as for sale condominium units to eligible low-income homebuyers.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01- Administration xx, NSP Administration	\$0.00	\$306,480.00	\$306,480.00
01-Administration, Administration NSP	\$0.00	\$3.00	\$3.00
02- Eligible Use A, Financing Mechanisms	\$0.00	\$1,250,000.00	\$1,220,042.16
03- Eligible Use B, Acquisition/Rehab/New Construction	\$0.00	\$1,508,353.00	\$1,508,353.00
zz, Apple Valley NSP	\$0.00	\$0.00	\$0.00



