

Grantee: Apple Valley, CA

Grant: B-08-MN-06-0502

July 1, 2012 thru September 30, 2012 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:

Christopher Moore

Estimated PIRL 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 | \$3,064,836.00 |
| Program Funds Drawdown | \$0.00 | \$3,064,836.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | (\$414,634.22) | \$3,064,836.00 |
| 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:

Apple Valley Happy Trails Villas construction is substantially complete and units are being sold. Six of 34 units are closing escrow and will be occupied in next month. Down Payment Assistance program is complete.



Project Summary

Project #, Project Title

| 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 | \$1,250,000.00 |
| 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 |



Activities

Grantee Activity Number: 002

Activity Title: NSP/DAP

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

02- Eligible Use A

Projected Start Date:

07/01/2009

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Financing Mechanisms

Projected End Date:

09/30/2010

Completed Activity Actual End Date:

Responsible Organization:

Town of Apple Valley

| Overall | Jul 1 thru Sep 30, 2012 | To Date |
|--|-------------------------|---------|
| Total Projected Budget from All Sources | N/A | \$0.00 |
| Total Budget | \$0.00 | \$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 | (\$38,418.15) | \$0.00 |
| Town of Apple Valley | (\$38,418.15) | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

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 shall be at least 1%.

Location Description:

The NSP Down Payment Assistance Program will be implemented within the focus target area comprised of foreclosure properties located in the six (6) low income census tracts (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, and redevelopment project areas and are spread out in redevelopment project areas as well as throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

Activity Progress Narrative:



This activity is duplicative of Activity 5. Expenditures and accomplishments are accounted for in Activity 5. Expenditure of \$38,418.15 is included in Activity 5 expenditure of \$483,791 and deducted from Activity 002. Housing units reduced to zero in this activity; reflected in Activity 5- Homeownership Assistance to low and moderate income.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|--------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | -4 | 0/0 |

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: 004

Activity Title: NSP/DAP 25% Set Aside

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

02- Eligible Use A

Project Title:

Financing Mechanisms

Projected Start Date:

07/15/2009

Projected End Date:

09/30/2012

Benefit Type:

Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Town of Apple Valley

| Overall | Jul 1 thru Sep 30, 2012 | To Date |
|--|-------------------------|---------|
| Total Projected Budget from All Sources | N/A | \$0.00 |
| Total Budget | \$0.00 | \$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 | (\$376,216.07) | \$0.00 |
| Town of Apple Valley | (\$376,216.07) | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

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 shall be at least 1%.

Location Description:

The NSP Down Payment Assistance Program will be implemented within the focus target area comprised of foreclosure properties located in the six (6) low income census tracts (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, and redevelopment project areas and are spread out in redevelopment project areas as well as throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

Activity Progress Narrative:

This activity is duplicative of Activity 8. Expenditures and accomplishments are accounted for in Activity 8. Expenditure of \$376,216.07 is included in Activity 8 expenditure of \$766,209 and deducted from Activity 004. Housing units deducted from Activity 004 and reflected in Activity 5- Homeownership Assistance to low and moderate income.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|--------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | -6 | 0/0 |

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: 5
Activity Title: DAP 60%>

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

02- Eligible Use A

Projected Start Date:

09/01/2008

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Financing Mechanisms

Projected End Date:

09/30/2010

Completed Activity Actual End Date:

Responsible Organization:

Town of Apple Valley

| Overall | Jul 1 thru Sep 30, 2012 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$483,791.00 |
| Total Budget | \$0.00 | \$483,791.00 |
| Total Obligated | \$0.00 | \$483,791.00 |
| Total Funds Drawdown | \$0.00 | \$483,791.00 |
| Program Funds Drawdown | \$0.00 | \$483,791.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$483,791.00 |
| Town of Apple Valley | \$0.00 | \$483,791.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

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 shall be at least 1%.

Location Description:

The NSP Down Payment Assistance Program will be implemented within the focus target area comprised of foreclosure properties located in the six (6) low income census tracts (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, and redevelopment project areas and are spread out in redevelopment project areas as well as throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

Activity Progress Narrative:

Total down payment assistance housing units # 29 for Project #2 Financing Mechanisms reflected in this activity. 29 total down payment assistance housing units.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 29/14 |
| # of Singlefamily Units | 0 | 29/14 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|------|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 0 | 0 | 14/6 | 15/8 | 29/14 | 100.00 |
| # Owner Households | 0 | 0 | 0 | 14/6 | 15/8 | 29/14 | 100.00 |

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: 7

Activity Title: Purchase/Rehab/Acquisition/Rehab

Activity Category:

Acquisition - general

Project Number:

03- Eligible Use B

Projected Start Date:

09/01/2008

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab/New Construction

Projected End Date:

09/30/2010

Completed Activity Actual End Date:

Responsible Organization:

Town of Apple Valley

| Overall | Jul 1 thru Sep 30, 2012 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,508,353.00 |
| Total Budget | \$0.00 | \$1,508,353.00 |
| Total Obligated | \$0.00 | \$1,508,353.00 |
| Total Funds Drawdown | \$0.00 | \$1,508,353.00 |
| Program Funds Drawdown | \$0.00 | \$1,508,353.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$1,508,353.00 |
| Town of Apple Valley | \$0.00 | \$1,508,353.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

Funds 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%.

Location Description:

The NSP Down Payment Assistance Program will be implemented within the focus target area comprised of foreclosure properties located in the six (6) low income census tracts (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, and redevelopment project areas and are spread out in redevelopment project areas as well as throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

Activity Progress Narrative:

Phase I of units is on market and six units are completing escrow. Phase II construction is substantially complete. Marketing efforts are in full force. Full occupancy is expected by late Spring 2013.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |

| | This Report Period | Cumulative Actual Total / Expected |
|--------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 0/34 |

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: 8

Activity Title: NSP/DAP 25%

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

02- Eligible Use A

Projected Start Date:

09/01/2008

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Financing Mechanisms

Projected End Date:

09/30/2010

Completed Activity Actual End Date:

Responsible Organization:

Town of Apple Valley

| Overall | Jul 1 thru Sep 30, 2012 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$766,209.00 |
| Total Budget | \$0.00 | \$766,209.00 |
| Total Obligated | \$0.00 | \$766,209.00 |
| Total Funds Drawdown | \$0.00 | \$766,209.00 |
| Program Funds Drawdown | \$0.00 | \$766,209.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$766,209.00 |
| Town of Apple Valley | \$0.00 | \$766,209.00 |
| Match Contributed | \$0.00 | \$0.00 |

Activity Description:

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 shall be at least 1%

Location Description:

The NSP Down Payment Assistance Program will be implemented within the focus target area comprised of foreclosure properties located in the six (6) low income census tracts (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, and redevelopment project areas and are spread out in redevelopment project areas as well as throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

Activity Progress Narrative:

3 housing units deducted from Activity #8- Homeownership assistance- 25% low housing set aside ; all housing units reported in Activity #5 Homeownership assistance- low and moderate. Total units is 29 for homeownership activities. Expenditures in this activity (\$766,209.00) satisfy requirement that 25% of grant serve income group <50% of AMI.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | -3 | 0/13 |
| # of Singlefamily Units | -3 | 0/13 |

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 | |
