

Grantee: Apple Valley, CA

Grant: B-08-MN-06-0502

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:
B-08-MN-06-0502

Obligation Date:

Grantee Name:
Apple Valley, CA

Award Date:

Grant Amount:
\$3,064,836.00

Contract End Date:

Grant Status:
Active

Review by HUD:
Reviewed and Approved

QPR Contact:
No QPR Contact Found

Disasters:

Declaration Number
NSP

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 CDBG Program Funds Budgeted	N/A	\$3,064,836.00
Program Funds Drawdown	\$0.00	\$3,034,878.16
Program Funds Obligated	\$0.00	\$3,064,836.00
Program Funds Expended	\$0.00	\$2,446,167.67
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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	\$0.00

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:

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) funding 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 have fallen out of the process. A couple housekeeping items include one (1) loan that wasn't included in 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
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
zz, Apple Valley NSP	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 5
Activity Title: DAP 60%>

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:
 09/01/2008

Projected End Date:
 09/30/2010

Benefit Type:
 Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:
 NSP Only - LMMI

Responsible Organization:
 Town of Apple Valley

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$483,791.00
Total CDBG Program Funds Budgeted	N/A	\$483,791.00
Program Funds Drawdown	\$0.00	\$453,833.16
Program Funds Obligated	\$0.00	\$483,791.00
Program Funds Expended	\$0.00	\$358,578.11
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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:

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		10/14	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	13	15	28	13/6	15/8	28/14	100.00
# Owner Households	13	15	28	13/6	15/8	28/14	100.00

Activity Locations

Address	City	State	Zip
13174 Algonquin Rd.	Apple Valley	NA	92308
20081 Symeron Rd.	Apple Valley	NA	92307

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

Activity Status:

Under Way

Project Number:

02- Eligible Use A

Project Title:

Financing Mechanisms

Projected Start Date:

09/01/2008

Projected End Date:

09/30/2010

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Town of Apple Valley

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$766,209.00
Total CDBG Program Funds Budgeted	N/A	\$766,209.00
Program Funds Drawdown	\$0.00	\$766,209.00
Program Funds Obligated	\$0.00	\$766,209.00
Program Funds Expended	\$0.00	\$164,602.34
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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Activity Progress Narrative:

Accomplishments Performance Measures

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

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	
