

Grantee: El Paso Collaborative

Grant: B-09-CN-TX-0042

July 1, 2010 thru September 30, 2010 Performance Report

Grant Number:

B-09-CN-TX-0042

Obligation Date:**Grantee Name:**

El Paso Collaborative

Award Date:

02/11/2010

Grant Amount:

\$10,191,000.00

Contract End Date:

02/11/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

A Consortium of local nonprofit organizations was awarded funding in the amount of \$10,191,000 for a Neighborhood Stabilization Program to stabilize neighborhoods in El Paso County, Texas whose viability has been and continues to be damaged by the economic effects of properties that have foreclosed upon and abandoned. The Consortium is comprised of the El Paso Collaborative for Community and Economic Development, Lower Valley Housing Corporation, Habitat for Humanity-El Paso and Project Vida. The Consortium has selected the El Paso Collaborative for Community and Economic Development to serve as lead applicant and fiscal agent.

The goal of the project is to acquire, rehabilitate and return to productive use a minimum of 100 single-family homes in 22 eligible census tracts located inside and outside the city limits of the City of El Paso. The homes will be returned for use for a combination of homeownership and rental. The project's end-users will be households with incomes up to 120% AMFI with a minimum of 25% of program funds reserved for end users with incomes at or below 50% AMFI.

The financing mechanisms selected for this project are: loans to developers for acquisition and rehabilitation, grants to nonprofits for acquisition and rehabilitation; and forgivable and amortizing subsidy assistance to homebuyers.

The Consortium has selected four for-profit partners who will help carry out the NSP2 program. They are Dawcon Builders, LLC, Karma-JKS Properties Inc., Wright & Dalbin Architects and Senercon. Dawco and Karma-JKS will join Consortium in the role of developers that will acquire and rehabilitate the properties and sell them to income-eligible households. Wright & Dalbin will conduct construction cost analysis, provide drawings as necessary and assist with environmental. Senercon will conduct energy assessments of the selected properties and recommend cost-effective energy and green features to install during the rehabilitation phase that will help reduce energy costs and improve long-term affordability. Project Vida will manage the rental units for the first two-years and will provide property management training to the Collaborative.

Long-term affordability will be built into the program design to assure that NSP2-assisted properties remain affordable for the longest feasible period.

Target Geography:

Using HUD's mapping system, the Collaborative identified 22 eligible census tracts scattered throughout the greater El Paso area (city and outlying areas of the county). The highest concentration of foreclosures is occurring in the City of El Paso's "Eastside" where there are 12 eligible census tracts, 5 with foreclosure scores of 20. There are 2 eligible census tracts on the other side of the Franklin Mountains, the "Westside"; another 2 tracts are in "Northeast" El Paso, north of Ft. Bliss Military Reservation and another 2 are in the "Ysleta-Lower Valley" areas of the city. The remaining 4 census tracts are located outside of El Paso's City limits in the communities of Horizon City, San Elizario, Clint and Tornillo. It is interesting to note that in 15 of the 22 targeted census tracts, the 2008 estimated median income levels were above 2008 HUD median income guidelines and illuminates the fact that the census tracts with the highest foreclosure scores were considered Middle, Upper and Moderate Income census tracts.

The targeted census tracts are: 103.07, 103.11, 103.12, 103.13, 103.14, 103.15, 103.20, 103.21, 43.07, 43.14, 43.15, 43.16, 102.04, 102.09, 40.04, 41.04, 1.07, 102.06, 103.09, 104.03, 104.04, 105.01.

Program Approach:

The Collaborative and its Consortium members have designed a program to assist 22 eligible census tracts located in El Paso County. The goal of the program will be to acquire, rehabilitate and return to service 100 foreclosed or vacant properties. To accomplish the desired outcomes, four developers will share the responsibility for acquisition and rehabilitation. Both Consortium members and for-profit partners will serve as developers. For-profit partners were selected not only for their expertise in acquisition and rehabilitation but for their willingness to introduce new concepts and ideas that will assist in long-term affordability, green-building and energy-efficiency. With its experience as a community lender, the Collaborative will establish financing mechanisms for purchase and redevelopment of eligible properties. The

Collaborative will make grants to non-profit developers and low-interest loans to the two for-profit developers. A third for-profit partner, Senercon, will conduct energy audits of properties selected by the developers to determine which energy-efficient modifications are feasible. All properties will be tested pre- and post- rehabilitation. It is the express intention of this project to include the maximum amount of energy and green features that make economic sense and that apply to each specific property. The fourth and last for-profit partner is Frederic (Fred) Dalbin from the architectural firm of Wright & Dalbin Architects, Inc. Mr. Dalbin will be hired as a consultant to conduct cost-analysis of funding requests submitted by for-profit partners, will assist with environmentals (unless HUD approves the City of El Paso for this function) and will develop architectural drawings for those projects for which drawings are required to obtain building permits. Existing staff at the Collaborative and three new hires will administer the NSP2 program.. The Program Coordinator will manage the outreach and marketing (assisted by 4 AmeriCorps*VISTAs), develop and implement application and intake procedures, assure that all aspects of the NSP2 grant agreement are being properly implemented, and compile and submit required reports. The developers will conduct feasibility assessments of foreclosed/abandoned properties in eligible census tracts and submit their cost estimates prior to entering into an Earnest Money Contract with the owner. (Construction contracts will only be signed if their cost estimates are considered reasonable and customary). No properties will purchase until they are environmentally cleared by HUD. Once the property is environmentally cleared, the Collaborative will request an NSP2 draw and the developer and owner can close on the property. (Should the LOC draw take longer than anticipated, the Collaborative will proceed with the draw to the developer so that the project will not be stalled.) Regarding the sale of the property to NSP2 eligible households, the Program Coordinator will develop a buyer pool of income-qualified applicants that have designated their geographical preference. Upon income qualification, they will be required to obtain pre-approval for mortgage financing from a lender that agrees to comply with FDIC Regulations on Subprime Mortgage Lending per NSP2 requirements. Based upon their income, they will also receive a commitment letter from the Collaborative for a designated amount of Homebuyer Assistance. Each homebuyer will be required to complete 8 hours of homebuyer counseling from one of the four HUD-approved local housing counseling agencies. The majority of the 100 properties will be sold to eligible buyers. The remaining properties will be acquired by Consortium Members and retained as Real Estate Owned (REO). Habitat for Humanity-El Paso will acquire and rehabilitate homes for use by households at 50% AMFI. The rental properties will be managed by a non-profit Consortium member with property management experience, Project Vida. Project Vida itself will manage the properties (collect rents and maintain the property) for the first two NSP2 program years. The Collaborative itself plans to manage the properties afterwards. During this time, Project Vida will provide property management training to the Collaborative. Project Vida, together with the Collaborative’s Program Coordinator will assure that a minimum of 25% of assisted units will be reserved for renters with households <50% AMFI. Project Vida’s constituency is predominantly very-low income, monolingual Spanish speakers. Most of their constituents need several years of ESL, GED training and then job-related training and are likely to remain as eligible renters for an extended period. (During and after the two-year Project Vida management period, the Collaborative will continue to use its established affordable rental guidelines in compliance with HOME program standards at 24 CFR 92.252(a), (c), (e) and (f), and 92.254.)

The Consortium will assure that distribution and uses of NSP2 funds will meet the HERA requirements that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures.

Consortium Members:

El Paso Collaborative for Community & Economic Development is the Lead Member of a Consortium comprised of 4 local non-profit organizations. The other Consortium Members are Lower Valley Housing Corporation, Habitat for Humanity El Paso and Project Vida. Combined, the 4 organizations have extensive experience in housing development (single- and multi-family), homebuyer assistance, and counseling, and rental management. The El Paso Collaborative was certified in 2001 by the U.S. Treasury as a Community Development Financial Institution (CDFI).

Roles of Consortium Members:

El Paso Collaborative will be the Lead Member and will coordinate the program. In addition they will: make lines of credit available to for-profit builders for acquisition and rehabilitation of NSP-eligible properties, and acquire a minimum of 15 NSP properties to rent to households at or below 50% AMFI. Lower Valley Housing Corporation will receive grant funds to rehabilitate the units to be acquired by the Collaborative. Project Vida will manage the rental units and will provide property management training to the Collaborative to develop their future capacity.

How to Get Additional Information:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$10,191,000.00
Total CDBG Program Funds Budgeted	N/A	\$10,191,000.00
Program Funds Drawdown	\$49,667.59	\$63,031.34
Obligated CDBG DR Funds	\$49,667.59	\$63,031.34
Expended CDBG DR Funds	\$49,667.59	\$63,031.34
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	\$0.00	\$0.00
Limit on Admin/Planning	\$1,019,100.00	\$63,031.34
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,019,100.00	\$786,803.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,547,750.00	\$2,551,576.00

Overall Progress Narrative:

The El Paso Collaborative submitted an Amendment Request submitted to HUD to substitute Consortium Member AYUDA, Inc. for Lower Valley Housing Corporation. The Amendment was approved on August 26, 2010. Consortium Agreements were revised and will be executed shortly to reflect this change. The Amendment raised the total number of units to be acquired, rehabilitated and returned to active service in the 22 targeted census tracts. Fifteen units will be owned by Project Vida, and five will be owned by AYUDA, Inc. All twenty will be rented to households at or below 50% AMFI for El Paso County. Habitat for Humanity El Paso will acquire and rehabilitate fifteen units and will resell them to households at or below 50% AMFI for El Paso County. For-profit developers will acquire, rehabilitate and resell properties to households with income at or below 50% and up to 120% AMFI.

The El Paso Collaborative will publish a summary of the amended Application in the El Paso Times and will allow for a ten working-day comment public comment period.

The El Paso Collaborative was awarded an Affordable Housing Program grant from the Federal Home Loan Bank of Dallas that will provide \$7,000 Homebuyer Assistance for NSP-2 homebuyers with incomes at or below 50% AMFI. The Policies and Procedures Manual and program forms are being finalized for submission to HUD for review. The Collaborative hired additional staff to implement the NSP2 Program including an Accounting Manager (75% FTE), a Participant Coordinator (100% FTE) and a Project Associate (100% FTE).

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$10,191,000.00)	\$0.00
A, Financing Mechanisms	\$0.00	\$6,449,824.00	\$0.00
Adm, Administration	\$49,667.59	\$1,019,100.00	\$63,031.34
B, Acquisition/Rehabilitation	\$0.00	\$2,722,076.00	\$0.00

Activities

Grantee Activity Number: Plan1
Activity Title: Planning

Activity Category:

Planning

Project Number:

Adm

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

09/30/2010

National Objective:

N/A

Responsible Organization:

El Paso Collaborative for Community and Economic

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$232,297.00
Total CDBG Program Funds Budgeted	N/A	\$232,297.00
Program Funds Drawdown	\$49,667.59	\$63,031.34
Obligated CDBG DR Funds	\$49,667.59	\$63,031.34
Expended CDBG DR Funds	\$49,667.59	\$63,031.34
El Paso Collaborative for Community and Economic	\$49,667.59	\$63,031.34
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

General pre-planning prior to implementation and on-going planning during implementation to adjust program as needed.

Location Description:

El Paso County, TX.

Activity Progress Narrative:

During this quarter, Lower Valley Housing Corporation withdrew from the Consortium. As Lead Member, the El Paso Collaborative submitted an Amendment Request to HUD to replace them with another local nonprofit organization, AYUDA, Inc. After HUD's review which consisted of rerating and re-ranking the Application, the Amendment Request was approved. In addition to the change of Consortium Member, the amended Application included the following items:

- Raised the number of number of units to be delivered from 100 to 125;
- Raised the number of total rental units from 15 to 20;
- Changed roles of Consortium Members, i.e. El Paso Collaborative will not own any rental units. Instead both Project Vida and AYUDA, Inc. will acquire and manage rental units; AYUDA, Inc. will rehabilitate both their units and those of Project Vida;
- Increased staffing pattern to properly implement the NSP Program;
- Increased the Affordability Period for NSP2 assistance to 15 years regardless of amount of assistance.

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

No Other Funding Sources Found

Total Other Funding Sources
