

Grantee: City of Reno Housing Authority

Grant: B-09-CN-NV-0055

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-09-CN-NV-0055

Obligation Date:**Grantee Name:**

City of Reno Housing Authority

Award Date:

02/11/2010

Grant Amount:

\$20,995,000.00

Contract End Date:

02/11/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Wendryn Ellen Barnhart

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

The Consortium's program calls for a dramatic reduction in the number of vacant foreclosed properties in six census tracts in Reno, Sparks, and Washoe County. Each of these census tracts is presently heavily impacted by foreclosures, declining prices and distressed properties. The Consortium proposes to essentially resolve the current vacancy problems and address many of those houses that are likely to be vacated over the next three years by utilizing a combination of federal grant money under NSP2, program income, non-federal Housing Authority investment, and significant investment from the private sector.

The Housing Authority of the City of Reno (RHA), which is the Consortium's lead agency, and the City of Reno are currently administering a small NSP1 grant from the State of Nevada and an Economic Development Grant that is impacting up to 40 homes in or near the NSP2 areas. Under the NSP2 grant, the Consortium was awarded \$20,995,000 to fund a program under which RHA will purchase approximately 200 vacant foreclosed homes in the six heavily impacted census tracts and to do needed rehabilitation, including energy efficient improvements, over a three year period. Over 25% of the initial total funding and program income will be used to benefit persons who are under 50% of the median income through the use of a long term rental program. The remainder of the funding will provide homeownership opportunities for persons under 120% of the median income.

The Consortium will do a portion of the homeownership program in a rent to own component for persons between 50% and 120% of the area median income. The majority, however, of the homeownership units will be sold outright to eligible families under 120% of the median income with significant discounts, grants and forgivable loans to ensure successful sales even in a very down economy. The Consortium anticipates a loss of at least \$20,000 to \$40,000 per unit to the program, but the remaining sales returns will then be used to purchase additional houses in a roll over pattern. This will enable RHA to ultimately purchase approximately 200 vacant foreclosed properties in the six census tracts with grant funds and program income.

In addition to this use of grant funds and program income from the sales, RHA will make two significant contributions to the program by providing non-grant funding to expand the impact on vacant foreclosures in the targeted census tracts that are put into occupancy. The first is that RHA will use \$1 million of its own money to buy additional properties in the NSP2 target areas. This non-federal funding will be used to purchase properties when it is not possible to go through much of the time consuming process that is required when expending federal funds. Secondly, RHA's Board of Commissioners has approved the set aside of up to 100 Housing Choice Vouchers for investors who purchase vacant foreclosed properties in the target census tracts, make energy saving improvements, and submit them to RHA for designation as Project Based Housing Choice Vouchers. This will result in an incredibly large investment from the private sector as investors seek to buy houses in the target areas to obtain a 10 year commitment for financial assistance from RHA.

The net effect of the combination of the NSP2 grant, program income, RHA's non-federal money, and private investment brought about by allocating for project basing up to 100 of RHA's Housing Choice Vouchers to these neighborhoods will be dramatic. Not only will the Consortium have a significant impact on the vacancy problem in these census tracts, in doing so the Consortium will stabilize those neighborhoods and make them attractive for both homeowners and investors to purchase properties. At the conclusion of the three year grant period, RHA plans to use any further program income to carry out a similar local ongoing program where foreclosures may continue to be a problem.

The Action Plan was amended as of December 8, 2010. This amendment was purely administrative. It was advertised both on the Housing Authority's website and at local government buildings and libraries, and it was advertised in both English and Spanish. The amendment is as follows:

The Housing Authority of the City of Reno initially set up the DRGR Action Plan with the following activities:

- Acquisition of rentals to serve the <50% AMI population
- Acquisition of properties to be sold to the middle income population
- Rehabilitation of rentals to serve the <50% AMI population
- Rehabilitation of properties to be sold to the middle income population
- Homeownership Assistance
- Administration

The amended Action Plan will reflect the following activities:

- Acquisition and rehabilitation of rentals to serve the <50% AMI population
- Acquisition and rehabilitation of properties to be sold to the middle income population
- Homeownership
- Administration

The proposed amendment was open for comment for eighteen days and no one submitted any comments.

The Action Plan was amended again as of January 28, 2011. This amendment was purely administrative. It was advertised both on the Housing Authority's website and at local government buildings and libraries, and it was advertised in both English and Spanish. The amendment is as follows:

The Housing Authority of the City of Reno initially set up the DRGR Action Plan with the following activities:

- Acquisition and rehabilitation of rentals to serve the <50% AMI population
- Acquisition and rehabilitation of properties to be sold to the middle income population
- Homeownership
- Administration

The amended Action Plan will reflect the following activities:

- Acquisition and rehabilitation of rentals to serve the <50% AMI population
- Acquisition, rehabilitation, and homeownership assistance for properties to be sold to the middle income population
- Administration

The proposed amendment was open for comment for fifteen days and no one submitted any comments.

Target Geography:

The Consortium has identified six census tracts in Washoe County, Nevada. These are census tracts 17.00, 26.06, 27.01, 29.02, 30.00, and 31.06.

Program Approach:

1. The Consortium's overall Neighborhood Stabilization Program 2 approach

The Consortium's program is simple. We want to make dramatic reductions in the vacancy problem in six census tracts with a combination of public and private investment. We want to buy at least 200 vacant homes with NSP2 funding, do needed rehabilitation and energy upgrades where applicable, and then (1) rent at least 60 of these to persons under 50% of the median income, and (2) enter into rent to own agreements or outright sales of the remaining homes to persons between 50% and 120% of the median income. All purchasers of these homes will be provided counseling by the Consumer Credit Affiliates, and each will receive significant discounts, including grants and forgivable loans, to expedite these sales. The 200 purchases will be carried out both with initial grant funding and with program income from the rentals and sales.

We believe that our efforts in buying this many vacant foreclosed properties in the census tracts in the three year grant period should by itself stop the ongoing drop in prices. We are, however, absolutely convinced this will occur by combining the expenditures of these federal funds with major private investments we will initiate in the same neighborhoods:

a. The private investment of \$12 to \$13 million will occur by providing investors with a financial incentive to purchase and rehabilitate vacant properties in the neighborhoods. The Consortium will achieve this by utilizing a program currently operated by the Housing Authority of the City of Reno (RHA), the Housing Choice Voucher Program. Under current HUD regulations, RHA can designate up to 15% of its Housing Choice Vouchers as project based if it wishes to do to. To date, RHA has utilized this option only once, for seven houses owned by a nonprofit group in Northeast Reno. RHA, as the lead agency, will set aside up to 100 of its 2,492 Housing Choice Vouchers to be used to project base that Housing Choice Voucher assistance to specific properties in the NSP2 target areas. The Board of Commissioners formally approved this amendment to the Section 8 Housing Choice Voucher Administrative Plan on July 6, 2009.

The selection of the properties will be done in response to public selection of properties in those target areas that meet HQS, but preference points will be built into the selection for energy conservation. Properties selected will then essentially be guaranteed a tenant at market rent for a period of 10 years, and this could be extended.

b. The private investment of \$1 million by RHA from non-federal sources to buy vacant properties in the designated census tracts which will enable us to buy properties at auction, courthouse sales, etc. when it is not possible to move quickly with federal funds.

2. Uses of funds and firm commitments

a. The overriding goal will be the purchase and rehabilitation of vacant and foreclosed homes. We will utilize the National Community Stabilization Trust where possible to carry out the purchases. This has worked out well for us in NSP1. In addition, RHA will purchase FHA properties where possible and will utilize local Real Estate firms to identify other properties for us.

We are anticipating considerable rehabilitation costs as we carry out both needed repairs and attempt to make the properties more energy efficient. Most of this will be contracted out to local contractors, but some repairs will be done with part or full time maintenance employees working directly for RHA.

The rental of at least 50 of these houses will be handled by the Housing Authority of the City of Reno, but up to 10 more of them will be transferred to the Nevada Rural Housing Authority (NRHA) for them to operate. In both cases, there is a 20 year obligation period for the properties to be occupied by families under 50% of the median income.

The remainder of the properties will either be sold outright or put in a rent to own program. Using the rent to own option will guarantee successful and timely occupancy of all houses, as there are many families who would be eligible to purchase except for credit issues. The rent to own program would give them time to address this. In any event, all of these would ultimately be re-sold to eligible families under 120% of the median income. Each family purchasing a home outright would be eligible for a combination of initial discounts, grants, and a forgivable loan. The \$15,000 forgivable loan will be forgiven at a rate of \$1,000 per year so long as the family does not sell the property, move out, refinance, etc.

Homebuyers can use conventional loan financing so long as it is a fixed rate 15-30 year loan. Charles Schwab Bank, a for-profit partner of the Consortium, is expected to finance many of the loans, especially for families under 100% of the median income. Nevada Rural Housing Authority has an impressive first time homebuyer program that could also be utilized by home buyers. Both Charles Schwab Bank and Nevada Rural Housing Authority have grants that may be able to supplement NSP2.

b. The financing available from Charles Schwab Bank and Nevada Rural Housing Authority is obligated for the activity, but is not set aside exclusively for the Consortium. Some of it will be spent on eligible clients outside of the NSP2 census areas.

The Reno Housing Authority is committing \$1 million of its own non-federal funding for the purchase of additional properties in the NSP2 census tracts.

c. No demolition will be carried out using NSP2 funding. If any demolition does take place it will be done by the Reno Housing Authority utilizing non-federal funds.

3. Budgeting and the generation of program income The budgeted amounts in the DRGR system are representative of both the federal funding received under the NSP2 grant and the expected program income.

Program income will come from the net rental income from properties rented to persons below 50% AMI, and the sales proceeds from houses sold to persons below 120% AMI. The Consortium expects a large amount of program income over the three years of operations, and has planned accordingly to dispose of it before drawing down any more federal funds. The turnover and resale of houses is a cornerstone to the Consortium's NSP2 program. Under the projected market conditions, the Consortium plans to address over 200 homes with the combination of the federal funds and the program income.

Consortium Members:

1. Non-Profit Members

Housing Authority of the City of Reno
Name/Title: David Morton, Executive Director
Address: 1525 E. 9th Street, Reno, Nevada 89512
Phone: 775-329-3630
Fax: 775-786-1712

City of Reno:
Name/Title: Jodi Royal-Goodwin, Community Reinvestment Manager
Address: PO Box 1900, Reno, NV 89505
Phone: 775-334-2305
Fax: 775-334-3815

Consumer Credit Affiliates:
Name/Title: Jill Perry, Director of Northern Nevada
Address: 3100 Mill Street #111, Reno, NV 89502
Phone: 775-337-6363
Fax: 775-337-6348

Nevada Rural Housing Authority:
Name/Title: Gary Longaker, Executive Director
Address: 3695 Desatoya Drive, Carson City, NV 89701
Phone: 775-887-1795
Fax: 775-887-1798

2. For-Profit Members

Charles Schwab Bank:
Name/Title: Nancy E. Brown, Senior Manager Community Development

Address: 5190 Neil Rd., Ste 300, Reno, NV 89502
 Phone: 775-689-6830

How to Get Additional Information:

For additional information, please contact David C. Morton, Executive Director of the Housing Authority of the City of Reno.

Phone: 775-329-3630 ext. 201
 Fax: 775-786-1712
 Email: Dmorton@renoha.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$20,995,000.00
Total CDBG Program Funds Budgeted	N/A	\$20,995,000.00
Program Funds Drawdown	\$1,371,260.23	\$12,575,907.23
Program Funds Obligated	\$2,411,821.00	\$14,305,937.00
Program Funds Expended	\$1,280,334.00	\$12,896,773.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$230,349.37	\$257,174.73
Program Income Drawdown	\$182,073.59	\$182,073.59

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	\$2,099,500.00	\$683,995.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,099,500.00	\$2,099,500.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$5,248,750.00	\$9,028,125.00

Overall Progress Narrative:

MAJOR PROGRESS IN QUARTER ENDING SEPTEMBER 30, 2011

The Consortium has made significant progress this quarter in meeting the national objectives of the

Neighborhood Stabilization Program 2 (NSP2) grant. The Consortium is addressing the foreclosure and vacancy problem in Washoe County by acquiring, rehabilitating, and renting or selling REO properties at a rapid pace.

Between July 1, 2011 and September 30, 2011, the Housing Authority of the City of Reno as the lead agency for the Consortium acquired eight properties. RHA completely rehabilitated and rented twenty-two properties and rehabilitated and sold three properties.

The eight homes acquired are located as follows throughout the various NSP2 target areas:

1. Sun Valley (Census Tract 27.01) - 5 homes
2. Sparks (Census Tracts 29.02/30.00/31.06) - 1 home
3. Stead (Census Tract 26.06) - 1 home
4. Northeast Reno (Census Tract 17.00) - 1 home

All eight of the properties acquired this quarter will be sold to families between 50% and 120% of the Area Median Income. Four will be sold under a Lease-To-Own program. Currently there are four additional properties under contract.

REHABILITATION OF HOMES IS UNDERWAY

Of the 88 properties acquired since the grant's inception (five of which have been transferred to Nevada Rural Housing Authority), sixty-seven have been fully rehabilitated. The completed properties all underwent significant rehabilitation.

UNR CENTER FOR REGIONAL STUDIES IS MONITORING PROGRESS

UNR's Center for Regional Studies is issuing regular monitoring reports on statistics in the targeted census tracts and in Washoe County as a whole. These reports come in within a month after the end of each quarter and can be found on the Housing Authority's website on the link for Indicators by Census Tract for each quarter: <http://www.renoha.org/index.php?id=QPR>

HOUSING AUTHORITY'S CONTRIBUTION

In the NSP2 application, the Housing Authority of the City of Reno pledged \$1 million of non-federal funds to assist in the NSP2 efforts. No properties were purchased with these funds this quarter. Nine of these properties have been rehabilitated and rented. The one remaining property is still in rehabilitation.

ACCESSIBLE UNITS

The Housing Authority of the City of Reno is working towards making sure that there are accessible units available for tenants. Four units so far have been designated as accessible, three rentals and one lease-to-own. One of the rentals was purchased with money from the Housing Authority of the City of Reno's \$1 million of non-federal funds to assist in the NSP2 efforts, and the other two were purchased with NSP2 funds.

TRANSFER OF PROPERTIES TO NEVADA RURAL HOUSING AUTHORITY

The Housing Authority of the City of Reno agreed to transfer the ownership of five rental properties to Nevada Rural Housing Authority (NRHA) once sixty properties had been purchased for rent with NSP2 funding. The goal of sixty properties purchased was met last quarter, so the Housing Authority of the City of Reno transferred five properties in Sparks to NRHA. These properties will be rented to families under 50% of the Area Median Income and will maintain the affordability period of the properties for 20 years past the date the property was initially purchased with NSP2 funds.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, ACQ/REHAB	\$1,266,844.23	\$18,895,500.00	\$11,928,274.23

099, ADMINISTRATION	\$104,416.00	\$2,099,500.00	\$647,633.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
TEST, BUCKET	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 003

Activity Title: ACQUISITION AND REHABILITATION

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

001

Project Title:

ACQ/REHAB

Projected Start Date:

04/01/2010

Projected End Date:

04/01/2012

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

CITY OF RENO HOUSING AUTHORITY

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$9,028,125.00
Total CDBG Program Funds Budgeted	N/A	\$9,028,125.00
Program Funds Drawdown	\$329,830.00	\$8,848,307.00
Program Funds Obligated	\$127,722.00	\$8,901,550.00
Program Funds Expended	\$375,872.00	\$9,016,992.00
CITY OF RENO HOUSING AUTHORITY	\$375,872.00	\$9,016,992.00
Match Contributed	\$0.00	\$0.00
Program Income Received	(\$24,812.36)	\$2,013.00
Program Income Drawdown	\$40,118.00	\$40,118.00

Activity Description:

The overriding goal will be the purchase and rehabilitation of a minimum of 60 vacant and foreclosed homes within the six census tracts. We will utilize the National Community Stabilization Trust to access bank owned, Fannie Mae, and Freddie Mac properties to carry out these purchases. This has worked out well for us under NSP1. In addition, however, we will purchase FHA properties when possible and may purchase other foreclosed properties on the open market.

The proposed rehabilitation performance measures are based on the rehabilitation standards adopted in the application. The numbers are relatively accurate projections of what the Consortium plans to address when rehabilitating the homes, with a base of 60 homes being rehabilitated. Once the program begins, exact numbers will be generated from what rehabilitation is needed in the actual properties, and may deviate slightly from the estimated amounts.

The Consortium's housing rehabilitation standards will as a base adhere to the International Building Codes adopted by Washoe County, the City of Reno, and the City of Sparks, including but not limited to: the International Building Code, International Residential Code, International Existing Building Code, International Energy Conservation Code, International Property Maintenance Code, Uniform Plumbing Code, Uniform Mechanical Code, and the National Electrical Code.

We will not carry out any new construction, but we may have a few situations where gut rehabilitation may be required. In these cases, our rehabilitation will comply with the Energy Star Qualified New Home Standards set forth in the NOFA where applicable.

The vast majority of work being carried out will involve a variety of minor to moderate rehabilitation activities to be carried out on existing homes. Where replacements are needed, we will attempt to replace older obsolete products such as windows, doors, lighting, air conditioning units, and refrigerators with Energy Star labeled products. Low-flow toilets, showerheads, and faucet aerators, such as those with the WaterSense label, will also be installed when replacements are being carried out.

Where properties have large areas of turf, efforts will be made to replace significant portions of this with sustainable and energy efficient landscaping. Any new irrigation systems installed will be low volume, non-spray irrigation systems. Each new tenant will receive a walk-through which will include instructions on how to operate the energy and water efficient systems.

Location Description:

Acquisition, rehabilitation and reconstruction activities will take place across six census tracts in Washoe County, Nevada. These are census tracts 17.00, 26.06, 27.01, 29.02, 30.00, and 31.06.

Activity Progress Narrative:

REHABILITATION OF PROPERTIES FOR RENT IS UNDERWAY

All properties for rent have been purchased. Four of the rental properties are still undergoing rehabilitation. The Housing Authority of the City of Reno has maintenance foremen directly overseeing work write-ups, bid preparation and advertising, and oversight of rehabilitation contracts issued for work on each of the properties.

Total rehabilitation expenditures for the quarter were \$329,830. Purchase and rehabilitation are now combined into one activity, so this number is not broken out anywhere else in the QPR.

PROPERTIES RENTED AND COMPLETED

Of the 60 properties purchased for rental to families under 50% of the Area Median Income, 53 are completed and occupied. Another three have had all rehabilitation completed and are ready for rent. The other four are still under rehabilitation.

PROPERTIES TRANSFERRED TO NEVADA RURAL HOUSING AUTHORITY

The Housing Authority of the City of Reno agreed to transfer ownership of five properties to the Nevada Rural Housing Authority once 60 properties had been purchased with NSP2 funds. This goal has been met, so the Housing Authority of the City of Reno made the transfer at the beginning of this quarter. These properties will be rented to families under 50% of the Area Median Income.

SITE BOOK FOR RENTALS ASSISTS IN MAINTENANCE

The Housing Authority of the City of Reno has created a Site Book for all of the scattered site rental properties. This book includes basic information on each property, a picture, a floor plan, a site plan including utility shutoff locations, and an equipment list. This allows maintenance staff to quickly find anything they need and to find parts if there are equipment problems. It has been a significant asset to the program.

ERROR IN PROGRAM INCOME REPORTING

The negative entry in Program Income for Activity 003 is to correct the Program Income amount reported in our last QPR. We reported the program revenue received without deducting the allowed reserves and thus overstated the amount for the quarter ended June 30, 2011.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	22	49/60
#Energy Star Replacement Windows	4	35/24
#Additional Attic/Roof Insulation	22	37/49
#High efficiency heating plants	2	4/0
#Efficient AC added/replaced	4	13/10
#Replaced thermostats	16	30/14
#Replaced hot water heaters	6	9/30
#Light Fixtures (indoors) replaced	59	123/37
#Light fixtures (outdoors) replaced	9	15/24
#Refrigerators replaced	21	44/24

#Clothes washers replaced	0	0/0
#Dishwashers replaced	16	26/12
#Units with solar panels	0	0/0
#Low flow toilets	8	19/14
#Low flow showerheads	41	71/32
#Units with bus/rail access	22	49/60
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units deconstructed	0	0/0
#Units ζ other green	608	1283/24
Activity funds eligible for DREF (Ike	0	0/0
# ELI Households (0-30% AMI)	6	6/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	22	49/60
# of Singlefamily Units	22	49/60

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	22	0	22	49/60	0/0	49/60	100.00
# Renter Households	22	0	22	49/60	0/0	49/60	100.00

Activity Locations

Address	City	State	Zip
1865 Bishop	Reno	NA	89512
6385 Zuni	Sun Valley	NA	89433
9560 Brightridge	Reno	NA	89506
11895 Desert Bloom	Reno	NA	89506
9841 Crystalline	Reno	NA	89506
6464 Eskimo	Sun Valley	NA	89433
7533 Cezanne	Sun Valley	NA	89433
55 Galleron	Sparks	NA	89431
7425 Baroque	Sun Valley	NA	89433
1162 Calvados	Sparks	NA	89434
7118 Fantasia	Sun Valley	NA	89433
7356 Rubens Ct	Sun Valley	NA	89433
5704 Avalanche	Sun Valley	NA	89433
6525 Oglala	Sun Valley	NA	89433
9485 Long River	Reno	NA	89506
1681 Burnside	Sparks	NA	89431
705 Strauss	Sun Valley	NA	89433
6240 W. Crow	Sun Valley	NA	89433
7353 Rubens Ct	Sun Valley	NA	89433

6410 Mic Mac	Sun Valley	NA	89433
7211 Leonardo	Sun Valley	NA	89433
9590 Stoney Creek	Reno	NA	89506

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: ACQUISITION, REHAB, AND HOMEOWNERSHIP ASSISTANCE

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

02/28/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

ACQ/REHAB

Projected End Date:

12/31/2012

Completed Activity Actual End Date:

Responsible Organization:

CITY OF RENO HOUSING AUTHORITY

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$9,867,375.00
Total CDBG Program Funds Budgeted	N/A	\$9,867,375.00
Program Funds Drawdown	\$937,014.23	\$3,079,967.23
Program Funds Obligated	\$1,135,263.00	\$3,712,334.00
Program Funds Expended	\$834,402.00	\$3,223,639.00
CITY OF RENO HOUSING AUTHORITY	\$834,402.00	\$3,223,639.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$255,161.73	\$255,161.73
Program Income Drawdown	\$105,593.59	\$105,593.59

Activity Description:

The overriding goal will be the purchase and rehabilitation of approximately 63 vacant and foreclosed homes within the six census tracts with NSP2 funds and an additional 77 vacant and foreclosed homes within the six census tracts with program income from NSP2 activities. We will utilize the National Community Stabilization Trust to access bank owned, Fannie Mae, and Freddie Mac properties to carry out these purchases. This has worked out well for us under NSP1. In addition, however, we will purchase FHA properties when possible and may purchase other foreclosed properties on the open market.

The proposed rehabilitation performance measures are based on the rehabilitation standards adopted in the application. The numbers are relatively accurate projections of what the Consortium plans to address when rehabilitating the homes, with a base of 63 homes being rehabilitated. Once the program begins, exact numbers will be generated from what rehabilitation is needed in the actual properties, and may deviate slightly from the estimated amounts.

The Consortium's housing rehabilitation standards will as a base adhere to the International Building Codes adopted by Washoe County, the City of Reno, and the City of Sparks, including but not limited to: the International Building Code, International Residential Code, International Existing Building Code, International Energy Conservation Code, International Property Maintenance Code, Uniform Plumbing Code, Uniform Mechanical Code, and the National Electrical Code.

We will not carry out any new construction, but we may have a few situations where gut rehabilitation may be required. In these cases, our rehabilitation will comply with the Energy Star Qualified New Home Standards set forth in the NOFA where applicable.

The vast majority of work being carried out will involve a variety of minor to moderate rehabilitation activities on existing homes. Where replacements are needed, we will attempt to replace older obsolete products such as windows, doors, lighting, air conditioning units, and refrigerators with Energy Star labeled products. Low-flow toilets, showerheads, and faucet aerators, such as those with the WaterSense label, will also be installed when replacements are being carried out.

Where properties have large areas of turf, efforts will be made to replace significant portions of this with sustainable and energy

efficient landscaping. Any new irrigation systems installed will be low volume, non-spray irrigation systems. Each homeowner or new tenant will receive a walk-through which will include instructions on how to operate the energy and water efficient systems.

In addition to acquisition and rehabilitation activities, Homeownership Assistance is included in this Activity. Homeownership assistance will be available to eligible families under 120% of the median income that choose to purchase an NSP2 home. Significant discounts, grants, and forgivable loans will be given to aid the homeowner in purchasing the property and all purchasers of these homes will be provided counseling by the Consumer Credit Affiliates.

- a. Initial Discounts - Initial discounts will be given to eligible families under 120% of the median income that wish to acquire an NSP2 property that the Consortium has put up for sale. Discounts are predicted to be up to \$10,000 off of the face value of the home.
- b. Grants - up to \$10,000 in grants will be given to families purchasing NSP2 properties. The grants will be used to increase the affordability of the properties and ensure successful sales even in a down economy.
- c. Forgivable Loans - \$15,000 forgivable loans will be given to families purchasing NSP2 properties and families that are placed in the Consortium's rent-to-own program. The \$15,000 forgivable loan will be forgiven at a rate of \$1,000 per year as long as the family does not sell the property, move out, refinance, etc.
- d. Credit Counseling - Consumer Credit Affiliates will provide 36 credit counseling classes over the grant period to educate homebuyers in financial literacy, budget issues, and housing issues.

Location Description:

Rehabilitation, reconstruction, and homeownership assistance activities will take place across six census tracts in Washoe County, Nevada. These are census tracts 17.00, 26.06, 27.01, 29.02, 30.00, and 31.06.

Activity Progress Narrative:

EIGHT PROPERTIES PURCHASED THIS QUARTER FOR SALE TO FAMILIES BETWEEN 50% AND 120% OF THE AREA MEDIAN INCOME

The Housing Authority of the City of Reno as the lead agency for the Consortium acquired eight vacant properties over the last quarter, four of which will be sold using a Lease-To-Own program. These purchases bring the total number of properties to be sold up to 28. Four more properties to be purchased under this activity are currently under contract.

REHABILITATION OF PROPERTIES IS UNDERWAY

Rehabilitation of twenty properties is underway. The Housing Authority of the City of Reno has maintenance foremen directly overseeing work write-ups, bid preparation and advertising, and oversight of rehabilitation contracts issued for work on each of the properties. Total rehabilitation expenditures for the quarter were \$117,111. Purchase and rehabilitation are now combined into one activity, so this number is not broken out anywhere else in the QPR.

STATUS OF PROPERTIES

Three of the properties in this activity were sold this quarter. Of the remaining five ready for occupants, four are for sale and one will be sold under the Lease-To-Own program.

CREDIT COUNSELING CLASSES FOR NEW HOMEOWNERS

Consumer Credit Affiliates, the member of the Consortium which provides homeownership credit counseling, is holding regular classes for prospective homebuyers under the NSP2 program. All prospective homebuyers are required to take this class. Their class schedule is updated regularly and is available on the Housing Authority of the City of Reno's website here: <http://www.renoha.org/pdf/NSPGNPOM/CCAClasses.pdf>

HOME MAINTENANCE CLASSES FOR NEW AND PROSPECTIVE HOMEOWNERS

The Housing Authority of the City of Reno will be providing mandatory classes for people in the Lease-To-Own program. Many of these people have not lived in a house before, only apartments, so they have limited experience with maintaining a house. These classes will go through the basics of maintaining a house and repairing minor problems. These classes will be available,

though not mandatory, for people who purchase RHA NSP2 properties directly rather than through the Lease-To-Own program.

HOMEOWNERSHIP ASSISTANCE

Three properties were sold this quarter. Each purchaser was provided with a \$15,000 forgivable interest-free loan which will be forgiven at the rate of \$1,000/year as long as the purchaser occupies the property. This serves to keep the property occupied by a family in the 50%-120% AMI group; if the purchaser no longer occupies the house, the remainder of the loan is due and payable at that time. Each purchaser also receives assistance with closing costs. This amount does not exceed \$5,000 per purchase. The total homeownership assistance this quarter was \$59,421.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	3	3/140
#Energy Star Replacement Windows	0	0/59
#Additional Attic/Roof Insulation	3	3/92
#High efficiency heating plants	0	0/15
#Efficient AC added/replaced	0	0/22
#Replaced thermostats	1	1/36
#Replaced hot water heaters	1	1/18
#Light Fixtures (indoors) replaced	9	9/86
#Light fixtures (outdoors) replaced	1	1/59
#Refrigerators replaced	2	2/59
#Clothes washers replaced	0	0/0
#Dishwashers replaced	2	2/29
#Units with solar panels	0	0/0
#Low flow toilets	0	0/36
#Low flow showerheads	6	6/75
#Units with bus/rail access	3	3/140
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units deconstructed	0	0/0
#Units & other green	94	94/59
Activity funds eligible for DREF (Ike	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	3	3/140
# of Singlefamily Units	3	3/140

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	3	3	0/0	3/25	3/140	100.00
# Owner Households	0	3	3	0/0	3/25	3/140	100.00

Activity Locations

Address	City	State	Zip
6310 Klamath Ct	Sun Valley	NA	89433
7372 Matisse	Sun Valley	NA	89433
6415 Mic Mac Ct	Sun Valley	NA	89433

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: 99

Activity Title: ADMINISTRATION

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

099

Project Title:

ADMINISTRATION

Projected Start Date:

01/14/2010

Projected End Date:

02/11/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

CITY OF RENO HOUSING AUTHORITY

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$2,099,500.00
Total CDBG Program Funds Budgeted	N/A	\$2,099,500.00
Program Funds Drawdown	\$104,416.00	\$647,633.00
Program Funds Obligated	\$1,148,836.00	\$1,692,053.00
Program Funds Expended	\$70,060.00	\$656,142.00
CITY OF RENO HOUSING AUTHORITY	\$70,060.00	\$656,142.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$36,362.00	\$36,362.00

Activity Description:

Location Description:

Activity Progress Narrative:

PROJECT BASED VOUCHER PROGRESS

In the initial NSP2 application, the Consortium led by the Housing Authority of the City of Reno (RHA) committed to attempting to bring in private investors through the use of Project Based Vouchers in the NSP2 target areas. Despite significant advertising and effort on the part of Housing Authority staff, this project has not received any applicants so far. In order to do everything possible to get this program underway, RHA is proposing to purchase up to four houses to use as models for the program. The Board of Commissioners has approved this proposal. With HUD's concurrence, this will allow demonstration of how much the purchase and rehabilitation of properties are likely to cost and will provide the basis for a cost-benefit analysis as well as return on investment calculations.

TRANSFER OF FIVE HOUSES TO NEVADA RURAL HOUSING AUTHORITY HAS BEEN COMPLETED

RHA committed to transferring five rental houses to the Nevada Rural Housing Authority once sixty properties had been purchased with NSP2 grant funds. That goal was reached in the last quarter, so RHA transferred five rental properties to the Nevada Rural Housing Authority at the beginning of this quarter. These properties will be rented to families under 50% of the Area Median Income and will be administered as dictated by NSP2 rules.

WORKING WITH PARTNERS

RHA is continuing to work closely with its partners. Nevada Rural Housing Authority, as mentioned above, has received five houses and will be available to assist homeownership applicants if needed. Consumer Credit Affiliates has been providing classes and those charges will begin to come through regularly. The City of Reno has been consistently providing Environmental Reviews of properties in a timely manner. All partners are working well together and communicating effectively.

ALL RENTAL PROPERTIES EITHER RENTED OR UNDER CONTRACT

Finding renters for the <50% Area Median Income properties was somewhat challenging. These properties are only available to a very narrow spectrum of people: those who are below 50% of the Area Median Income who are also able to afford the rents. In response to the slightly lowered rents and increased outreach to voucher clients, all properties either have tenants or people who are waiting to move in and have submitted a deposit on the property.

LEASE-TO-OWN PROPERTIES

Nine Lease-to-Own properties have been purchased and seven are in rehabilitation. Two are completed and will be occupied very soon. These properties are generating considerable interest in the community.

ADMINISTRATIVE ACTIVITY FUNDS

At the beginning of the grant, the Administrative funds were not being drawn down at a significant rate. That rate has increased and is now at about \$60,000 per month. This will increase soon because the Housing Authority has created a position and selected a candidate to be hired to assist with handling the houses for rent and for sale. At this point, RHA sees no need to revise the funding for administrative expenses.

GENERAL STAFF ACTIVITY

During this reporting period, staff members have expended and drawn down funds, ensured that the properties, prospective tenants, and prospective homeowners all meet the requirements of NSP2, and have continued to work towards the success of this program.

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

