

**Grantee: City of Reno Housing Authority**

**Grant: B-09-CN-NV-0055**

**October 1, 2012 thru December 31, 2012 Performance Report**

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**Grant Number:**

B-09-CN-NV-0055

**Obligation Date:****Award Date:**

02/11/2010

**Grantee Name:**

City of Reno Housing Authority

**Contract End Date:**

02/11/2013

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$20,995,000.00

**Grant Status:**

Active

**QPR Contact:**

Wendryn Ellen Barnhart

**Estimated PI/RL Funds:**

\$4,531,246.00

**Total Budget:**

\$25,526,246.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Executive Summary:

The Consortium's program calls for a significant reduction in the number of vacant foreclosed properties in six census tracts (changed after the 2010 Census to eleven census tracts) in Reno, Sparks, and Washoe County. Each of these census tracts is heavily impacted by foreclosures, declining prices and distressed properties. The Consortium is working to help resolve the current vacancy problems and address many of those houses that are likely to be vacated during the grant period by utilizing a combination of federal grant money under NSP2, program income, non-federal Housing Authority investment, and, hopefully, 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 administered a small NSP1 grant from the State of Nevada and an Economic Development Grant that impacted 35 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 is purchasing up to 200 vacant foreclosed homes in the six heavily impacted census tracts and doing needed rehabilitation, including energy efficient improvements, over a three year period. Over 25% of the initial total funding and program income is being 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 is providing homeownership opportunities for persons under 120% of the median income.

The Consortium is doing a portion of the homeownership program in a lease to own component for persons between 50% and 120% of the area median income. The majority, however, of the homeownership units are being 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 be used to purchase additional houses in a roll over pattern. This will enable RHA to ultimately purchase up to 200 vacant foreclosed properties in the eleven census tracts with grant funds and program income.

In addition to this use of grant funds and program income from the sales, RHA has contributed to the program by providing non-grant funding to expand the impact on vacant foreclosures in the targeted census tracts. RHA has used over \$1 million of its own money to buy additional properties in the NSP2 target areas. This non-federal funding was used to purchase properties when it was not possible to go through the time consuming process that is required when expending federal funds.

RHA has set aside 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. The plan was for investors to buy houses in the target areas which would then obtain a 10 year commitment for financial assistance from RHA. This program has not met with success. RHA has proposed purchasing four sample properties to use as showcases, but HUD has not yet approved this and it may not work out.

The net effect of the combination of the NSP2 grant, program income, and RHA's non-federal money should

### Executive Summary:

have had an impact on the foreclosure crisis over time. The programs have clearly had a positive effect on the target neighborhoods, but home prices are still dropping due to the continuing financial crisis. The landscaping and positive changes to the neighborhood have been appreciated by residents and homeowners associations.



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 reflected 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 reflected 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.

In preparation for the end of the second year of the NSP2 grant, RHA reviewed the budgeted amounts for all activities and determined that the Administration activity, 099, was overbudgeted. With HUD's concurrence, in February 2012 RHA moved \$450,000 from Activity 099, Administration, to Activity 003, Acquisition and rehab of properties for families under 50% of the Area Median Income. This allows RHA to purchase more houses for this Activity. This accounts for only about 2.14% of the total budget for NSP2, so an amendment was not required.

An administrative amendment to the Action Plan was requested by HUD in April of 2012. This amendment split the lease to own program into its own acti

### **Executive Summary:**

vity to improve the clarity of reporting. The activity which reflectsthesales of houses, 004, was split out and is now Activities 004 and 006. Activity 006 reflects all activities and expenditures relating to the lease to own program; Activity 004 reflects all activities and expenditures relating to the outright sales of houses. Because this was a purely administrative change and did not have any effect on how NSP2 funds are being spent, this amendment did not require a public comment period. The last QPR for 2011 and the first QPR for 2012 were updated to reflect this change.

### **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. As a result of the 2010 Census, the census tracts were divided. There are now eleven census tracts, 17.01, 17.02, 26.14, 26.15, 26.16, 27.05, 27.06, 27.07, 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 plan to significantly reduce the vacancy problem in eleven census tracts with a combination of public and private investment. We are in the process of buying up to 200 vacant homes with NSP2 funding, doing needed rehabilitation and energy upgrades where applicable, and (1) renting at least 60 of these to persons under 50% of the median income, and (2) entering into lease 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 are receiving counseling by the Consumer Credit Affiliates, and each is receiving significant discounts, including grants and forgivable



loans, to expedite these sales. The up to 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 help stabilize the target neighborhoods. This stabilization will be further aided by the following:

- a. The private investment of over \$1 million by RHA from non-federal sources has been used to purchase vacant properties in the designated census tracts which have enabled us to buy properties expeditiously when it was not possible to move quickly with federal funds.
- b. The private investment of \$12 to \$13 million was planned to be included by providing investors with a financial incentive to purchase and rehabilitate vacant properties in the neighborhoods. The Consortium attempted to 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 so. 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, set aside up to 100 of its 2,492 Housing Choice Vouchers to be used to project base Housing Choice Voucher assistance to specific properties in the NSP2 target areas. Unfortunately, this program did not receive the expected investor response. RHA proposed purchasing four sample properties to use as showcases, but HUD did not respond to this request. This idea is not likely to move forward at this point.

## 2. Uses of funds and firm commitments

- a. The overriding goal is the purchase and rehabilitation of vacant and foreclosed homes. We are utilizing the National Community Stabilization Trust where possible to carry out the purchases. This worked out well for us in NSP1. In addition, RHA is purchasing FHA properties where possible and is utilizing local real estate firms to identify other properties.

There have been considerable rehabilitation costs as we have carried out both needed repairs and attempted to make the properties more energy efficient. Most of this has been contracted out to local contractors, but some repairs are being done with part or full time maintenance employees working directly for RHA.

The rental of at least 57 of these houses is being handled by the Housing Authority of the City of Reno. Five more

### **Program Approach:**

Five have been transferred to the Nevada Rural Housing Authority (NRHA) for them to operate, and five more may be transferred at a later date. 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 lease to own program. Using the lease 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 lease to own program gives them time to address this. In any event, all of these are ultimately being re-sold to eligible families under 120% of the median income. Each family purchasing a home is 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 can 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 has utilized over \$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 comes 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 will receive a large amount of program income over the three year grant period 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 up to 200 homes with the combination of federal funds and 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: Maureen McKissick, Grants and Fund Development Manager  
 Address: PO Box 1900, Reno, NV 89505  
 Phone: 775-334-2253  
 Fax: 775-334-4934

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

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$25,526,246.00
<b>Total Budget</b>	\$0.00	\$25,526,246.00
<b>Total Obligated</b>	\$840,685.97	\$22,144,854.13
<b>Total Funds Drawdown</b>	\$1,591,475.99	\$21,870,337.67
<b>Program Funds Drawdown</b>	\$900,629.63	\$19,020,078.52
<b>Program Income Drawdown</b>	\$690,846.36	\$2,850,259.15
<b>Program Income Received</b>	\$519,284.38	\$2,850,259.15
<b>Total Funds Expended</b>	\$1,591,476.09	\$21,870,337.67
<b>Match Contributed</b>	\$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	\$2,099,500.00	\$1,472,207.18
Limit on State Admin	\$0.00	\$1,472,207.18

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,099,500.00	\$1,587,799.38

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$5,248,750.00	\$9,644,995.11

## Overall Progress Narrative:

MAJOR PROGRESS IN QUARTER ENDING DECEMBER 31, 2012

The Housing Authority of the City of Reno (RHA) as the lead agency of the Consortium has put forth significant effort to assist the community using the Neighborhood Stabilization Program 2 funds. Since the inception of the grant, RHA has expended 104.7% of the original grant amount; program income is also being spent. The purchase, rehabilitation, and rental or sale of properties has kept local businesses in work, which is especially important in Reno's hard-hit economy. Several contractors have said they would have gone out of business had it not been for RHA's steady use of their services to carry out work on the houses. RHA has also helped keep real estate professionals, appraisers, and inspectors employed. The homeowner associations have all been happy with RHA's purchase of houses in their areas.

The Consortium has continued to make 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, but in the last eleven months the rate of acquisition has slowed considerably due to market conditions, state law, and the National Mortgage Settlement.

NSP2's expenditure deadline is February 11, 2013. RHA was initially planning to expand the NSP2 target areas into neighboring census tracts once the three-year grant period had run out. This plan has changed somewhat, however. HUD has just announced that the coveted Moving to Work (MTW) designation has been awarded to RHA, so at some point in the near future RHA will be requesting approval to utilize NSP2 Program Income funds in other census tracts, specifically low-poverty tracts. A key component of RHA's MTW application was built around a continuation of the work done under NSP2, especially since HUD and the local community have been very happy with RHA's success. NSP2 Program Income will be used towards the purchase of fifty single family homes, duplexes, and condos to provide mobility opportunities for Public Housing families in good standing. If this is not sufficient, RHA will borrow additional money to provide these mobility opportunities. The MTW focus on low-poverty tracts will allow research into how outcomes differ for families in low-poverty and high-poverty census tracts. RHA



staff is very excited about the possibilities inherent in this plan.

Between September 30 and December 31, 2012, RHA as the lead agency for the Consortium acquired seven properties. RHA completely rehabilitated and sold ten properties, one of which was a lease-to-own, and rehabilitated and leased six properties under the lease-to-own program.

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

1. Sun Valley (Census Tracts 27.05, 27.06, and 27.07) - 2 homes
2. Sparks (Census Tracts 29.02, 30.00, and 31.06) - 4 homes
3. Stead (Census Tracts 26.14, 26.15, and 26.16) - 0 homes
4. Northeast Reno (Census Tracts 17.01 and 17.02) - 1 homes

All seven of the properties will be sold to families earning between 50% and 120% of the Area Median Income.

#### HUD AWARDS MOVING TO WORK STATUS TO RHA

As noted above was awarded HUD's coveted Moving to Work (MTW) status in December 2012. A big part of RHA's MTW application was premised on the use of NSP2 Program Income to carry out a similar program for mobility purposes in low poverty census tracts. RHA has always planned to expand the target areas after the expenditure deadline; this was a significant part of RHA's NSP2 plan. The new target areas under MTW, however, will all be low-poverty census tracts.

RHA's mobility program under MTW would utilize Project Based Vouchers in order to move Public Housing families from high-poverty census tracts to low-poverty census tracts. This will allow data collection on whether living in a lower poverty area improves opportunities and outcomes for these families. RHA has identified 23 census tracts with poverty rates below 10 percent. RHA's plan is to purchase properties with a maximum price of \$150,000. This is becoming increasingly difficult as home median prices have risen 23 percent between November 2011 and November 2012. The median home price in the county is now \$182,500 and home prices in lower poverty tracts tend to have higher median prices.

RHA's purchase criteria, based on NSP2 rules, include acquiring homes that are bank owned or vacant short sales. RHA would like the opportunity to also include the purchase of owner-occupied voluntary short sale homes. This will allow RHA to purchase a broader range of homes and to provide assistance to homeowners in difficult situations who would otherwise be faced with a less positive short sale or possibly even foreclosure. A voluntary short sale will have a much smaller impact on the homeowners' credit scores than a foreclosure would and RHA will provide certainty about the closing of the short sale upon lender approval.

#### LIMITED NUMBER OF HOMES AVAILABLE TO BE PURCHASED

Several factors are limiting the availability of homes for sale in Washoe County. A new Nevada law, Assembly Bill 284, took effect on October 1, 2011 and required more banks to follow more stringent requirements before proceeding with foreclosures. The National Mortgage Settlement, which occurred in February, 2012, placed similar requirements on five major banks and their servicer, to provide an affidavit prior to filing a notice of foreclosure. As a result, mortgage holders have been cautious in filing new foreclosures or making available their inventory of foreclosed homes. A backlog of their properties, known as "shadow inventory", is accumulating. Home loan interest rates are at a historic low which has attracted more home buyers and investors into the market. At present, Washoe County is considered a seller's market.

#### REHABILITATION OF HOMES IS UNDERWAY

Of the 146 properties acquired since the grant's inception (five of which have been transferred to Nevada Rural Housing Authority), one hundred twenty-seven have been fully rehabilitated. The completed properties all underwent significant energy and water saving retrofits, xeriscaped landscaping, and other 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>

#### LEASE-TO-OWN PROGRESS

Thirty-two properties have been purchased for this program, which completes the purchase portion of this activity. Of these, twenty-five have been leased and two have been sold.

#### HOUSING AUTHORITY'S CONTRIBUTION

In the NSP2 application, RHA pledged \$1 million of non-federal funds to assist in the NSP2 efforts. These funds have been expended through the purchase and rehabilitation of ten properties, all of which are occupied.

### Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, ACQ/REHAB	\$814,205.66	\$23,938,446.62	\$17,717,088.05
099, ADMINISTRATION	\$86,423.97	\$1,587,799.38	\$1,302,990.47





## Activities

<b>Grantee Activity Number:</b>	<b>003</b>
<b>Activity Title:</b>	<b>ACQUISITION AND REHABILITATION</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

001

**Projected Start Date:**

04/01/2010

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

ACQ/REHAB

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

CITY OF RENO HOUSING AUTHORITY

Overall	Oct 1 thru Dec 31, 2012	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$9,644,995.11
<b>Total Budget</b>	\$0.00	\$9,644,995.11
<b>Total Obligated</b>	\$0.00	\$9,644,000.00
<b>Total Funds Drawdown</b>	\$93,306.63	\$9,483,213.60
<b>Program Funds Drawdown</b>	\$13,717.04	\$9,199,593.76
<b>Program Income Drawdown</b>	\$79,589.59	\$283,619.84
<b>Program Income Received</b>	\$95,495.68	\$295,482.17
<b>Total Funds Expended</b>	\$93,306.63	\$9,483,213.60
CITY OF RENO HOUSING AUTHORITY	\$93,306.63	\$9,483,213.60
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

The overriding goal was the purchase and rehabilitation of a minimum of 60 vacant and foreclosed homes within the eleven census tracts. We utilized the National Community Stabilization Trust to access bank owned, Fannie Mae, and Freddie Mac properties to carry out these purchases. In addition, however, we purchased FHA properties when possible and purchased other foreclosed properties on the open market.

The rehabilitation performance measures were based on the rehabilitation standards adopted in the application.

The Consortium's housing rehabilitation standards as a base adhered 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 did not carry out any new construction, but we had a few situations where gut rehabilitation was required. In these cases, our rehabilitation complied with the Energy Star Qualified New Home Standards set forth in the NOFA where applicable.

The vast majority of work being carried out involved a variety of minor to moderate rehabilitation activities on existing homes. Where replacements were needed, we attempted 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, were also installed when replacements were carried out.

Where properties had large areas of turf, efforts were made to replace significant portions of this with sustainable and energy efficient landscaping. Any new irrigation systems installed were low volume, non-spray irrigation systems. Each new tenant



received a walk-through which included instructions on how to operate the energy and water efficient systems.

### Location Description:

Acquisition, rehabilitation and reconstruction activities will take place across what was originally six census tracts in Washoe County, Nevada. These are census tracts 17.00 (now 17.01 and 17.02), 26.06 (now 26.14, 26.15, and 26.16), 27.01 (now 27.05, 27.06, and 27.07), 29.02, 30.00, and 31.06.

### Activity Progress Narrative:

#### REHABILITATION IS UNDERWAY ON ONE PROPERTY

One of the 63 rental properties is still undergoing rehabilitation. RHA has maintenance foremen directly overseeing work write-ups, bid preparation and advertising, and oversight of rehabilitation contracts issued for work on the property.

Total rehabilitation expenditures for the quarter were \$15,766.63. 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 63 properties purchased for rental to families under 50% of the Area Median Income, 62 are completed and occupied. The one purchased most recently is still under rehabilitation.

#### UNITS OTHER GREEN

The item titled "Units other green" tracks energy efficient replacements not otherwise listed, such as light bulbs. This number overall is considerably higher than estimated, but it is not unreasonable.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	62/64
#Energy Star Replacement Windows	0	46/24
#Additional Attic/Roof Insulation	0	50/49
#High efficiency heating plants	0	6/0
#Efficient AC added/replaced	0	17/10
#Replaced thermostats	0	41/14
#Replaced hot water heaters	0	15/30
#Light Fixtures (indoors) replaced	0	171/37
#Light fixtures (outdoors) replaced	0	23/24
#Refrigerators replaced	0	57/24
#Clothes washers replaced	0	0/0
#Dishwashers replaced	0	33/12
#Units with solar panels	0	0/0
#Low flow toilets	0	34/14
#Low flow showerheads	0	97/32
#Units with bus/rail access	0	62/64
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0



#Units deconstructed	0	0/0
#Units & other green	0	1699/24
Activity funds eligible for DREF (Ike	0	0/0
# ELI Households (0-30% AMI)	0	10/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	62/64
# of Singlefamily Units	0	62/64

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	62/64	0/0	62/64	100.00
# Renter Households	0	0	0	62/64	0/0	62/64	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:** 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 ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

ACQ/REHAB

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

CITY OF RENO HOUSING AUTHORITY

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2012**

N/A

**To Date**

\$8,865,539.41

**Total Budget**

\$0.00

\$8,865,539.41

**Total Obligated**

\$761,390.63

\$6,773,000.00

**Total Funds Drawdown**

\$1,019,172.11

\$6,772,085.47

**Program Funds Drawdown**

\$603,436.21

\$5,297,877.17

**Program Income Drawdown**

\$415,735.90

\$1,474,208.30

**Program Income Received**

\$400,492.96

\$2,053,033.75

**Total Funds Expended**

\$1,019,172.21

\$6,770,699.36

CITY OF RENO HOUSING AUTHORITY

\$1,019,172.21

\$6,770,699.36

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The overriding goal is the purchase and rehabilitation of up to 31 vacant and foreclosed homes within the eleven census tracts with NSP2 funds and up to an additional 74 vacant and foreclosed homes within the eleven census tracts with program income from NSP2 activities. We are utilizing the National Community Stabilization Trust to access bank owned, Fannie Mae, and Freddie Mac properties to carry out these purchases. In addition, however, we are purchasing FHA properties when possible and have purchased other foreclosed properties on the open market.

The rehabilitation performance measures are based on the rehabilitation standards adopted in the application. The numbers are projections of what the Consortium plans to address when rehabilitating the homes, with a base of up to 31 homes being rehabilitated. Exact numbers are being generated from what rehabilitation is needed in the actual properties.

The Consortium's housing rehabilitation standards 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 have a few situations where gut rehabilitation is required. In these cases, our rehabilitation complies with the Energy Star Qualified New Home Standards set forth in the NOFA where applicable.

The vast majority of work being carried out involves a variety of minor to moderate rehabilitation activities on existing homes. Where replacements are needed, we are attempting 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, are also being installed when replacements are carried out.

Where properties have large areas of turf, efforts are being made to replace this with sustainable and energy efficient



landscaping. Any new irrigation systems installed are low volume, non-spray irrigation systems. Each homeowner receives a walk-through which includes 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 is available to eligible families under 120% of the median income that choose to purchase an NSP2 home. Significant discounts, grants, and forgivable loans are being given to aid the homeowner in purchasing the property, and all purchasers of these homes are provided counseling by the Consumer Credit Affiliates.

- a. Initial Discounts - The sales price is set at the lower of the current appraised value or the cost of purchasing and rehabilitating the property. In virtually every case, this has resulted in extremely attractive pricing. To date, there have been no difficulties in selling these properties.
- b. Grants - Up to \$5,000 in grants are being given to families purchasing NSP2 properties. The grants are used to increase the affordability of the properties and ensure successful sales even in a down economy.
- c. Forgivable Loans - \$15,000 forgivable loans are being given to families purchasing NSP2 properties. 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 is providing 36 credit counseling classes over the grant period to educate homebuyers in financial literacy, budget issues, and housing issues.

### Location Description:

Acquisition, rehabilitation and reconstruction activities will take place across what was originally six census tracts in Washoe County, Nevada. These are census tracts 17.00 (now 17.01 and 17.02), 26.06 (now 26.14, 26.15, and 26.16), 27.01 (now 27.05, 27.06, and 27.07), 29.02, 30.00, and 31.06.

### Activity Progress Narrative:

#### ERRORS IN DRGR

In Activity 004, RHA and DRGR agree on the amount spent in the current quarter. Amount spent to date, however, does not agree. DRGR reports \$6,851,633.29 and RHA reports \$6,770,699.36, a difference of \$80,933.93. This number cannot be tied to a specific draw. The amount is almost exactly the same as the error we found last quarter which should have been corrected. RHA staff found errors in DRGR two quarters ago and at that time ascertained that the data going into DRGR for draws matched RHA's draws, so as far as we and DRGR Help could determine, this problem is on the DRGR side. We were told that the errors had been fixed, but for this Activity there is still a problem. This was resubmitted to DRGR Help on January 3, 2013.

#### SEVEN PROPERTIES PURCHASED THIS QUARTER FOR SALE TO FAMILIES BETWEEN 50% AND 120% OF AMI

RHA as the lead agency for the Consortium acquired seven vacant properties this quarter. These purchases bring the total number of properties to be sold up to 14, with an additional 37 already sold. One property to be purchased under Activity 004 is currently under contract.

#### REHABILITATION OF THIRTEEN FOR SALE PROPERTIES IS UNDERWAY

RHA has maintenance foremen directly overseeing work write-ups, bid preparation and advertising, and oversight of rehabilitation contracts issued for work on each of the thirteen properties. Total rehabilitation expenditures for the quarter were \$202,320.38. Purchase and rehabilitation are now combined into one activity, so this number is not broken out anywhere else.

#### STATUS OF PROPERTIES

Nine of the properties in this activity were sold this quarter. One property is ready for occupants.

#### HOMEOWNERSHIP ASSISTANCE

Nine 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. If the purchaser no longer occupies the house, the remainder of the loan is due and payable. Each purchaser also receives assistance with closing costs not to exceed \$5,000 per purchase. The total homeownership assistance for Activity 004 this quarter was \$177,245.34.



CREDIT COUNSELING CLASSES FOR NEW HOMEOWNERS

Consumer Credit Affiliates, now the Financial Guidance Center, 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 on RHA's website here:

<http://www.renoha.org/pdf/NSPGNPOM/CCAClasses.pdf>

UNITS OTHER GREEN

The item titled "Units other green" tracks energy efficient replacements not otherwise listed. This number is considerably higher than estimated, but it is not unreasonable.

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	9	44/105
#Energy Star Replacement Windows	26	91/44
#Additional Attic/Roof Insulation	9	43/69
#High efficiency heating plants	0	0/11
#Efficient AC added/replaced	2	10/17
#Replaced thermostats	2	21/27
#Replaced hot water heaters	5	13/14
#Light Fixtures (indoors) replaced	33	132/65
#Light fixtures (outdoors) replaced	20	54/44
#Refrigerators replaced	0	14/44
#Clothes washers replaced	0	0/0
#Dishwashers replaced	7	37/22
#Units with solar panels	0	0/0
#Low flow toilets	13	28/27
#Low flow showerheads	17	84/56
#Units with bus/rail access	9	44/105
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units deconstructed	0	0/0
#Units & other green	264	1308/44
Activity funds eligible for DREF (Ike	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	9	44/105
# of Singlefamily Units	9	44/105

**Beneficiaries Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total Low/Mod%



<b># of Households</b>	0	9	9	0/0	38/20	38/105	100.00
<b># Owner Households</b>	0	9	9	0/0	38/20	38/105	100.00

## Activity Locations

Address	City	County	State	Zip	Status / Accept
7075 Beethoven Ct	Sun Valley		Nevada	89433-6683	Match / Y
7310 Raphael Dr	Sun Valley		Nevada	89433-6676	Match / Y
5619 Tassel Dr	Sun Valley		Nevada	89433-6516	Match / Y
2040 Burnside Dr	Sparks		Nevada	89434-0703	Match / Y
6540 Galice Ct	Sun Valley		Nevada	89433-6644	Match / Y
11780 Claim Stake Dr	Reno		Nevada	89506-7534	Match / Y
11680 Camel Rock Dr	Reno		Nevada	89506-7517	Match / Y
5564 Fire Weed Ct	Sun Valley		Nevada	89433-6511	Match / Y
9175 Rising Sun Dr	Reno		Nevada	89506-2067	Match / Y

## 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: 006**

**Activity Title: LEASE TO OWN PROGRAM**

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

001

**Projected Start Date:**

07/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

ACQ/REHAB

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

CITY OF RENO HOUSING AUTHORITY

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$5,427,912.10
<b>Total Budget</b>	\$0.00	\$5,427,912.10
<b>Total Obligated</b>	\$79,295.34	\$4,143,000.00
<b>Total Funds Drawdown</b>	\$324,316.87	\$4,142,831.42
<b>Program Funds Drawdown</b>	\$197,052.41	\$3,219,617.12
<b>Program Income Drawdown</b>	\$127,264.46	\$923,214.30
<b>Program Income Received</b>	\$23,295.74	\$400,432.00
<b>Total Funds Expended</b>	\$324,316.87	\$4,144,217.53
CITY OF RENO HOUSING AUTHORITY	\$324,316.87	\$4,144,217.53
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The overriding goal is the purchase and rehabilitation of up to 32 vacant and foreclosed homes within the eleven census tracts with NSP2 funds and up to an additional 3 vacant and foreclosed homes within the eleven census tracts with program income from NSP2 activities. We are utilizing the National Community Stabilization Trust to access bank owned, Fannie Mae, and Freddie Mac properties to carry out these purchases. In addition, however, we are purchasing FHA properties when possible and have purchased other foreclosed properties on the open market.

The rehabilitation performance measures are based on the rehabilitation standards adopted in the application. The numbers are projections of what the Consortium plans to address when rehabilitating the homes, with a base of up to 35 homes being rehabilitated. Exact numbers are being generated from what rehabilitation is needed in the actual properties.

The Consortium's housing rehabilitation standards 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 if we have situations where gut rehabilitation is required, 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 involves a variety of minor to moderate rehabilitation activities on existing homes. Where replacements are needed, we are attempting 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, are also being installed when replacements are carried out.

Where properties have large areas of turf, efforts are being made to replace this with sustainable and energy efficient landscaping. Any new irrigation systems installed are low volume, non-spray irrigation systems. Each new tenant receives a walk-through which includes 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 is available to eligible families under 120% of the median income that choose to purchase an NSP2 home through the Lease to Own program. Significant discounts, grants, and forgivable loans are being given to aid the homeowner in purchasing the property, and all purchasers of these homes are provided counseling by the Consumer Credit Affiliates.

- a. Initial Discounts - The sales price is set at the lower of the current appraised value or the cost of purchasing and rehabilitating the property. In virtually every case, this has resulted in extremely attractive pricing.
- b. Grants - Up to \$5,000 in grants are being given to families purchasing NSP2 properties. The grants are used to increase the affordability of the properties and ensure successful sales even in a down economy.
- c. Forgivable Loans - \$15,000 forgivable loans are being given to families purchasing NSP2 properties. 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 is providing 36 credit counseling classes over the grant period to educate homebuyers in financial literacy, budget issues, and housing issues.

### Location Description:

Acquisition, rehabilitation and reconstruction activities will take place across what was originally six census tracts in Washoe County, Nevada. These are census tracts 17.00 (now 17.01 and 17.02), 26.06 (now 26.14, 26.15, and 26.16), 27.01 (now 27.05, 27.06, and 27.07), 29.02, 30.00, and 31.06.

### Activity Progress Narrative:

\$1,386.11 DIFFERENCE BETWEEN RHA'S TO-DATE NUMBERS AND DRGR

In the second quarter of 2012, RHA had to use a negative number in a draw for Activity 004. The system will not accept negative numbers, so it was shifted to 006, which meant that the draw for 006 is larger by that amount than the to-date number in the DRGR system. We were told to not make any adjustments this quarter while the issues with DRGR were being sorted out, so the change, shifting the \$1,386.11 back to Activity 004, will be completed in the next quarter.

### REHABILITATION OF FIVE LEASE-TO-OWN PROPERTIES IS UNDERWAY

Rehabilitation of five lease-to-own properties is underway. RHA has maintenance foremen directly overseeing work write-ups, bid preparation and advertising, and oversight of rehabilitation contracts on each of the properties. Total rehabilitation expenditures for the quarter were \$324,316.87. Purchase and rehabilitation are now combined into one activity, so this number is not broken out anywhere else in the QPR.

### STATUS OF PROPERTIES

Six properties were rented to lease-to-own families and one property under Activity 006 was sold.

### CREDIT COUNSELING CLASSES FOR LEASE-TO-OWN PARTICIPANTS

Consumer Credit Affiliates, now the Financial Guidance Center, the member of the Consortium which provides homeownership credit counseling, is holding regular required classes for prospective lease-to-own participants under the NSP2 program. All prospective lease-to-own participants are required to take this class. Their class schedule is updated regularly and is available on RHA's website here:

<http://www.renoha.org/pdf/NSPGNPOM/CCAClasses.pdf>

### UNITS OTHER GREEN

The item titled "Units other green" is tracking energy efficient replacements not otherwise listed. This number is considerably higher than estimated, but it is not unreasonable.



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	7	27/35
#Energy Star Replacement Windows	6	26/15
#Additional Attic/Roof Insulation	7	25/23
#High efficiency heating plants	0	0/4
#Efficient AC added/replaced	1	7/6
#Replaced thermostats	5	25/9
#Replaced hot water heaters	3	6/5
#Light Fixtures (indoors) replaced	16	60/22
#Light fixtures (outdoors) replaced	8	24/15
#Refrigerators replaced	7	26/15
#Clothes washers replaced	0	0/0
#Dishwashers replaced	7	22/7
#Units with solar panels	0	0/0
#Low flow toilets	4	16/9
#Low flow showerheads	14	51/19
#Units with bus/rail access	7	27/35
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units deconstructed	0	0/0
#Units & other green	208	881/15
Activity funds eligible for DREF (Ike	0	0/0
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	7	27/35
# of Singlefamily Units	7	27/35

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	7	7	0/0	27/35	27/35	100.00
# Owner Households	0	1	1	0/0	2/0	2/0	100.00
# Renter Households	0	6	6	0/0	25/35	25/35	100.00

## Activity Locations

Address	City	County	State	Zip	Status / Accept
6997 Haydn Ct	Sun Valley		Nevada	89433-6668	Match / Y
5879 Foggy Ct	Sun Valley		Nevada	89433-6542	Match / Y
712 Desert View Ct	Sparks		Nevada	89434-3906	Match / Y
9592 Autumn Leaf Way	Reno		Nevada	89506-4503	Match / Y



9501 Long River Dr	Reno	Nevada	89506-4528	Match / Y
604 Brahms Ct	Sun Valley	Nevada	89433-5603	Match / Y
2015 Haywood Dr	Sparks	Nevada	89434-0776	Match / Y

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**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:**

( )

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

CITY OF RENO HOUSING AUTHORITY

**Overall**

	<b>Oct 1 thru Dec 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,587,799.38
<b>Total Budget</b>	\$0.00	\$1,587,799.38
<b>Total Obligated</b>	\$0.00	\$1,584,854.13
<b>Total Funds Drawdown</b>	\$154,680.38	\$1,472,207.18
<b>Program Funds Drawdown</b>	\$86,423.97	\$1,302,990.47
<b>Program Income Drawdown</b>	\$68,256.41	\$169,216.71
<b>Program Income Received</b>	\$0.00	\$101,311.23
<b>Total Funds Expended</b>	\$154,680.38	\$1,472,207.18
CITY OF RENO HOUSING AUTHORITY	\$154,680.38	\$1,472,207.18
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

RHA is working with partners to ensure that NSP2 continues to serve the under 50% AMI and 50%-120% AMI populations. Nevada Rural Housing Authority continues to be available to provide homeowner assistance. Consumer Credit Affiliates provides classes for prospective homebuyers and lease-to-own clients. The City of Reno provides environmental reviews in a timely fashion. RHA is purchasing, rehabilitating, and renting or selling NSP2 properties in various target areas in the Reno, Sparks, and Washoe County areas.

**Location Description:**

**Activity Progress Narrative:**

**WORKING WITH PARTNERS**

RHA is continuing to work closely with its partners. Nevada Rural Housing Authority has received five houses and will be available to assist homeownership applicants if needed. Financial Guidance Center (previously named Consumer Credit Affiliates) has been providing classes and those charges are coming 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.

**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

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