

Grantee: Washington

Grant: B-11-DN-53-0001

July 1, 2014 thru September 30, 2014 Performance Report



Grant Number:

B-11-DN-53-0001

Obligation Date:**Award Date:****Grantee Name:**

Washington

Contract End Date:

03/09/2014

Review by HUD:

Reviewed and Approved

Grant Award Amount:

\$5,000,000.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

LOCCS Authorized Amount:

\$5,000,000.00

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$5,000,000.00

Disasters:**Declaration Number**

No Disasters Found

Narratives**Summary of Distribution and Uses of NSP Funds:**

Washington State Department of Commerce (Commerce) was allocated \$5,000,000 in the third round of federal funding of the Neighborhood Stabilization Program to establish and implement the NSP3 in Washington State.

On February 25, 2011, Commerce submitted a first NSP3 Action Plan Amendment that described the Request for Proposal (RFP) process that Commerce was going to follow to fund projects targeted in the areas of greatest need in Washington State. After undergoing a public comment period, the first NSP3 Action Plan Amendment was finalized by Commerce and approved by HUD on March 9, 2011. The NSP3 grant agreement was executed between HUD and Commerce on the same day.

Following the project selection process described in the first NSP3 Action Plan Amendment, Commerce prepared a second NSP3 Action Plan Amendment. The second NSP3 Action Plan Amendment describes the outcomes of the RFP process and the projects that Commerce selected for NSP3 funding and their anticipated results. Commerce will grant the NSP3 funds to four sub-recipient local jurisdictions to recover and redevelop abandoned and/or foreclosed properties in four target areas in Washington State, as follows:

1. City of Federal Way: \$1,693,000 for the Westway Neighborhood Housing Project. City of Federal Way will acquire, rehabilitate, and sell 14 foreclosed and vacant properties to low-income persons/households. Approximately 30% of the NSP3 funds will be used to benefit households earning 50% or less of the area median income.
2. City of Lakewood: \$640,000 for the Tillicum Low-Income Housing Project. City of Lakewood will acquire 11 foreclosed and vacant properties in order to rehabilitate or rebuild them. All 11 units will be sold to households earning 50% or less of the area median income.
3. Snohomish County: \$1,102,500 for the Park Place Townhome Rentals Project. Snohomish County will acquire 14 newly constructed, vacant, and bank-owned homes. All 14 units will be rented to households earning 50% or less of the area median income.
4. City of Spokane: \$1,400,000 for the IERR East Sprague Avenue Rentals Project. City of Spokane will build 37 new affordable rental housing units on a vacant lot in a neighborhood heavily impacted by foreclosures. 34 units will be rented to households earning 50% or less of the area median income. The other 3 units will be rented to households earning 60% or less of the area median income.

The average HUD foreclosure need score for the four target areas is 13.25. The projects will recover a total of 76 housing units, of which 64 will be rented or sold to households/individuals earning 50% or less of the area median income (set-aside activities).

How Fund Use Addresses Market Conditions:

As described in Commerce's first NSP3 Action Plan Amendment dated February 25, 2011, and approved by HUD on March 9, 2011, Commerce published an RFP to solicit and select projects on a competitive basis. The RFP was sent to all NSP1 sub-recipients and published on Commerce's website on February 28, 2011. The RFP solicited high-impact, site-specific projects located in areas designated by HUD as being the areas with the greatest needs in our state.

By April 14, 2011, Commerce had received 12 proposals requesting a total of \$12,720,500 in NSP3 funding. Proposals were evaluated by giving preference to projects that:

- addressed areas of greatest need in the state;



- ,
- demonstrated readiness to proceed, with a clear plan to spend 50% of the NSP3 funds by March 2013 and 100% of the NSP3 funds by March 2014 (24 months and 36 months from HUD's grant execution date, respectively);
- ,
- leveraged other funds by demonstrating partnerships and local commitment;
- ,
- generated or recovered more housing units;
- ,
- generated or recovered more rental housing units; and
- ,
- encouraged vicinity hiring.

Market conditions data was obtained from HUD's "Neighborhood Stabilization Program Data" online tool by each of the applying jurisdictions and from the U.S. Census Bureau and the State of Washington's Office of Financial Management. During the project selection process, this data was used by Commerce to develop a statewide strategy to best utilize the NSP3 funds.

Ensuring Continued Affordability:

Continued affordability will be ensured through deed restrictions, covenants running with the land, or other mechanisms approved by HUD, in accordance with the requirements of 24 CFR 92.252 for rental units and 24 CFR 92.254 for owner-occupied units.

Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare in context of local laws and in accordance with the laws of the State of Washington. When encountering blighted properties, the NSP3 sub-recipients must comply with the definitions and requirements of RCW 35.80A.010 - Condemnation of Blighted Property, and RCW 35.80 Unfit Dwellings, Buildings and Structures.

Definition of Affordable Rents:

The state NSP3 will adopt the HOME definitions of affordable rent and affordability period stipulated in 24 CFR 92.252(a), (c) and (f) adjusted for the Neighborhood Stabilization Program's 50 percent and 120 percent target populations.

Housing Rehabilitation/New Construction Standards:

Rehabilitation or Redevelopment of existing housing and/or the provision of new housing will comply with the minimum housing quality standards for Section 8 housing as defined in 24 CFR 982.401.

Rehabilitation and/or redevelopment activities of foreclosed, abandoned, or vacant properties must meet applicable laws, codes, and other requirements relating to housing safety, quality, and habitability.

All projects requiring substantial rehabilitation or new housing construction will be designed to meet the standard for Energy Star Qualified New Homes. For rehabilitation that is not substantial, the NSP3 sub-recipients must meet those standards to the extent applicable to the rehabilitation work undertaken.

Vicinity Hiring:

Each of the four NSP3 sub-recipients, where applicable and to the maximum extent feasible, will make an effort to provide for the hiring of employees who reside in the project's vicinity or contract with businesses that are owned and operated by persons residing in the project's vicinity.

Procedures for Preferences for Affordable Rental Dev.:

During the RFP process described above, all proposals received by Commerce went through a review process involving a series of project evaluation criteria. One of these criteria was affordable rental development activities as being the scope of the project. Projects undertaking affordable rental development activities received a higher score on this category than projects that involved home-ownership activities. As a result, two of the awarded projects will exclusively create new affordable rental developments, for a total of 51 new rental housing units.

Grantee Contact Information:

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$11,998,100.00
Total Budget	\$0.00	\$5,000,000.00
Total Obligated	\$0.00	\$5,000,000.00
Total Funds Drawdown	\$0.00	\$5,000,000.00
Program Funds Drawdown	\$0.00	\$5,000,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$5,000,000.00
Match Contributed	\$0.00	\$2,400,000.00

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	\$2,400,000.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$279,563.24
Limit on State Admin	\$0.00	\$279,563.24

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$500,000.00	\$279,563.24

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,250,000.00	\$4,161,313.06

Overall Progress Narrative:

The State of Washington's NSP3 program is making great progress. All NSP3 grant funds (\$5,000,000) were expended by HUD's March 8, 2014 expenditure deadline. Although all the NSP funds have been spent, there is still construction going on (with other sources of funding) and not all of the NSP3 units are occupied yet. As soon as they are all occupied, we will work to close the NSP3 program.

Washington State funded four NSP3 projects in the following communities: the cities of Federal Way, Lakewood and Spokane, and Snohomish County. By the end of the NSP3 program, these NSP3 sub-recipients will have recovered a total of 72 housing units. Of these units, 68 of them (or 94 percent) will benefit low income households (<50% MHI).

In Federal Way, ten houses have been acquired and rehabilitated by Habitat for Humanity. Of these, ten have been sold to low income families.

In Lakewood, six properties have been acquired, the blight cleaned up, and they are now being developed by Habitat for Humanity into 11 newly constructed houses. At this time, Lakewood and Habitat for Humanity is moving forward and making great progress on constructing these new houses and will eventually sell them to low income



families.

In Snohomish County, 14 apartments in a newly constructed foreclosed apartment building are being rented to very low income households. Snohomish County's NSP3 project is complete and they have met their national objective. Their NSP3 project is ready to be closed.

Finally, the City of Spokane, in conjunction with Spokane County and the local nonprofit - Inland Empire Residential Resources (IERR) has completed the construction of a new multi-use facility which will include 37 affordable rental units to very low income households. Thirty-six of the 37 units are now occupied. As soon as the final unit is occupied, this project will have its final monitoring and can then be closed.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
11-67400-000, Department of Commerce	\$0.00	\$202,332.20	\$202,332.20
11-67400-001, Federal Way - Westway Neighborhood Housing	\$0.00	\$1,649,549.85	\$1,649,549.85
11-67400-002, Lakewood - Tillicum Low-Income Housing	\$0.00	\$722,887.48	\$722,887.48
11-67400-003, Snohomish County - Park Place Townhome	\$0.00	\$1,064,559.66	\$1,064,559.66
11-67400-004, Spokane - IERR East Sprague Rentals	\$0.00	\$1,360,670.81	\$1,360,670.81



Activities

Project # / Title: 11-67400-000 / Department of Commerce

Grantee Activity Number: 000-09 COMMERCE

Activity Title: Administration

Activity Category:

Administration

Project Number:

11-67400-000

Projected Start Date:

09/01/2010

Benefit Type:

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National Objective:

N/A

Activity Status:

Under Way

Project Title:

Department of Commerce

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

Washington State Department of Commerce

Overall

Total Projected Budget from All Sources

Jul 1 thru Sep 30, 2014

N/A

To Date

\$202,332.20

Total Budget

\$0.00

\$202,332.20

Total Obligated

\$0.00

\$202,332.20

Total Funds Drawdown

\$0.00

\$202,332.20

Program Funds Drawdown

\$0.00

\$202,332.20

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$202,332.20

Washington State Department of Commerce

\$0.00

\$202,332.20

Match Contributed

\$0.00

\$0.00

Activity Description:

Program administration.

Location Description:

Department of Commerce.

Activity Progress Narrative:



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

Project # / Title: 11-67400-001 / Federal Way - Westway Neighborhood Housing

Grantee Activity Number: 001-03 Federal Way

Activity Title: LMMI - Acquisition & rehabilitation 9 units

Activity Category:

Acquisition - general

Project Number:

11-67400-001

Projected Start Date:

08/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Federal Way - Westway Neighborhood Housing

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Federal Way

Overall

Total Projected Budget from All Sources

Jul 1 thru Sep 30, 2014

N/A

To Date

\$449,123.70

Total Budget

\$0.00

\$449,123.70

Total Obligated

\$0.00

\$449,123.70

Total Funds Drawdown

\$0.00

\$449,123.70

Program Funds Drawdown

\$0.00

\$449,123.70



Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$449,123.70
City of Federal Way	\$0.00	\$449,123.70
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquire and rehabilitate 3 foreclosed and vacant properties for the purpose of reselling them to LMMI households.

Location Description:

Westway neighborhood in Federal Way.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	3/3

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

Beneficiaries Performance Measures

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

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Local match	\$132,800.00
Subtotal Match Sources	

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





Grantee Activity Number:	001-04 Federal Way
Activity Title:	LH25 - Acquisition & rehabilitation 5 units

Activity Category:

Acquisition - general

Project Number:

11-67400-001

Projected Start Date:

08/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Completed

Project Title:

Federal Way - Westway Neighborhood Housing

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Federal Way

Overall	Jul 1 thru Sep 30, 2014	To Date
Total Projected Budget from All Sources	N/A	\$1,200,426.15
Total Budget	\$0.00	\$1,200,426.15
Total Obligated	\$0.00	\$1,200,426.15
Total Funds Drawdown	\$0.00	\$1,200,426.15
Program Funds Drawdown	\$0.00	\$1,200,426.15
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$1,200,426.15
City of Federal Way	\$0.00	\$1,200,426.15
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquire and rehabilitate 7 foreclosed and vacant properties for the purpose of reselling them to very low-income households.

Location Description:

Westway neighborhood in Federal Way.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/7

	This Report Period	Cumulative Actual Total / Expected
	Total	Total



# of Housing Units	0	0/7
# of Singlefamily Units	0	0/7

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/7	0/0	0/7	0
# Owner Households	0	0	0	0/7	0/0	0/7	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Local match	\$67,200.00
Subtotal Match Sources	

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

Project # / Title: 11-67400-002 / Lakewood - Tillicum Low-Income Housing

Grantee Activity Number:	002-07 Lakewood
Activity Title:	LH25 - Acquisition & rehab/constr 11 units

Activity Category:

Acquisition - general

Project Number:

11-67400-002

Projected Start Date:

06/21/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Lakewood - Tillicum Low-Income Housing

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Lakewood

Overall

Total Projected Budget from All Sources

Total Budget

Jul 1 thru Sep 30, 2014

N/A

\$0.00

To Date

\$690,887.48

\$690,887.48



Total Obligated	\$0.00	\$690,887.48
Total Funds Drawdown	\$0.00	\$690,887.48
Program Funds Drawdown	\$0.00	\$690,887.48
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$690,887.48
City of Lakewood	\$0.00	\$690,887.48
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquire and rehabilitate or build 11 single-family housing units for purposes of reselling them to very low-income households.

Location Description:

Tillicum neighborhood in Lakewood.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	20/11
# of Singlefamily Units	0	20/11

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/11	0/0	0/11	0
# Owner Households	0	0	0	0/11	0/0	0/11	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Local match	\$511,500.00
Subtotal Match Sources	

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



