

Grantee: Washington

Grant: B-11-DN-53-0001

July 1, 2017 thru September 30, 2017 Performance Report



Grant Number:

B-11-DN-53-0001

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

Washington

Contract End Date:**Review by HUD:**

Submitted - Await for Review

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**

NSP

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
Most Impacted and Distressed Expended	\$0.00	\$0.00
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
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00

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	\$4,025,589.03

Overall Progress Narrative:

October 13, 2017 – All of Washington State’s NSP3 projects are completed and we are in the process of closing out the individual contracts. NSP staff are working through the closeout process. At this time, we have closed out two NSP3 contracts: Snohomish County and the City of Federal Way. We are working on closing out the City of Lakewood and Spokane. We are also working on closing our NSP1 contracts.

In summary, Washington received \$5,000,000 in NSP3 grant funds. Four projects were funded in the following communities: the cities of Federal Way, Lakewood and Spokane, and Snohomish County.

In Federal Way, ten houses were acquired, rehabilitated by Habitat for Humanity and sold to ten low income families. In Lakewood, six blighted properties were acquired and the blight was cleaned up. The properties were combined and then subdivided into 11 lots. Eleven houses were built on these 11 lots by Habitat for Humanity and sold to 11 income eligible families.

In Snohomish County, 14 apartments in a newly constructed foreclosed apartment building are being rented to very low income households.

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 – 34 of which have been rented to low income households. IERR has rented all of the 37 units.

These projects are now complete and have all met the national objective of benefiting low-, moderate-, and middle-income families. Seventy-two housing units have been recovered and are rented or sold to income eligible households (LMMH). Of these 72 units, 68 of them (or 94 percent) have benefited low-income households (<50% MHI).

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	\$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: 11-67400-004 / Spokane - IERR East Sprague Rentals

Grantee Activity Number: 004-06 Spokane

Activity Title: LMMI - Construction of rental units

Activity Category:

Construction of new housing

Project Number:

11-67400-004

Projected Start Date:

07/19/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Spokane - IERR East Sprague Rentals

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Spokane

Overall	Jul 1 thru Sep 30, 2017	To Date
Total Projected Budget from All Sources	N/A	\$110,000.00
Total Budget	\$0.00	\$110,000.00
Total Obligated	\$0.00	\$110,000.00
Total Funds Drawdown	\$0.00	\$110,000.00
Program Funds Drawdown	\$0.00	\$110,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$110,000.00
City of Spokane	\$0.00	\$110,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Construct 3 new affordable rental housing units for the purpose of renting them to low/moderate-income households.

Location Description:

East Sprague Ave in Spokane.

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
#Units with solar panels	0		0/0	
#Low flow toilets	0		0/0	
#Low flow showerheads	0		0/0	
#Units with bus/rail access	0		0/0	
#Units exceeding Energy Star	0		0/0	
#Sites re-used	0		0/0	
#Units & other green	0		0/0	
Activity funds eligible for DREF	0		0/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	6		6/3	
# of Multifamily Units	6		6/3	
# of Singlefamily Units	0		0/0	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	6	6	0/0	6/3	6/3	100.00
# Renter Households	0	6	6	0/0	6/3	6/3	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
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Address Support Information

Address: 1420 E. Sprague Ave Apt 200, Spokane, Washington 98202

Property Status: Completed	Affordability Start Date: 12/04/2013	Affordability End Date: 12/04/2033
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Description of Affordability Strategy:

Rental

Activity Type for End Use: Rehabilitation/reconstruction of residential	Projected Disposition Date: 12/04/2013	Actual Disposition Date: 12/04/2013
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National Objective for End Use: NSP Only - LMMI	Date National Objective is met: 12/04/2013	Deadline Date: 12/04/2013
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Description of End Use:

37 unit multi-family, rental housing development.



Address: 1420 E. Sprague Ave Apt 205, Spokane, Washington 98202

Property Status:	Affordability Start Date:	Affordability End Date:
Completed	12/04/2013	12/04/2033

Description of Affordability Strategy:

Rental

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Rehabilitation/reconstruction of residential	12/04/2013	12/04/2013

National Objective for End Use:	Date National Objective is met:	Deadline Date:
NSP Only - LMMI	12/04/2013	12/04/2013

Description of End Use:

37 unit multi-family, rental housing development.

Address: 1420 E. Sprague Ave Apt 306, Spokane, Washington 98202

Property Status:	Affordability Start Date:	Affordability End Date:
Completed	12/04/2013	12/04/2033

Description of Affordability Strategy:

Rental

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Rehabilitation/reconstruction of residential	12/04/2013	12/04/2013

National Objective for End Use:	Date National Objective is met:	Deadline Date:
NSP Only - LMMI	12/04/2013	12/04/2013

Description of End Use:

37 unit multi-family, rental housing development.

Address: 1420 E. Sprague Ave Apt 408, Spokane, Washington 98202

Property Status:	Affordability Start Date:	Affordability End Date:
Completed	12/04/2013	12/04/2033

Description of Affordability Strategy:

Rental

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Rehabilitation/reconstruction of residential	12/04/2013	12/04/2013

National Objective for End Use:	Date National Objective is met:	Deadline Date:
NSP Only - LMMI	12/04/2013	12/04/2013

Description of End Use:

37 unit multi-family, rental housing development.



Address: 1420 E. Sprague Ave Apt 411, Spokane, Washington 98202

Property Status:	Affordability Start Date:	Affordability End Date:
Completed	12/04/2013	12/04/2033

Description of Affordability Strategy:

Rental

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Rehabilitation/reconstruction of residential	12/04/2013	12/04/2013

National Objective for End Use:	Date National Objective is met:	Deadline Date:
NSP Only - LMMI	12/04/2013	12/04/2013

Description of End Use:

37 unit multi-family, rental housing development.

Other Funding Sources Budgeted - Detail

Match Sources	Amount
Local match	\$416,600.00
Subtotal Match Sources	

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



Grantee Activity Number:	004-07 Spokane
Activity Title:	LH25 - Construction of rental units

Activity Category:

Construction of new housing

Project Number:

11-67400-004

Projected Start Date:

07/19/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Spokane - IERR East Sprague Rentals

Projected End Date:

03/08/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Spokane

Overall	Jul 1 thru Sep 30, 2017	To Date
Total Projected Budget from All Sources	N/A	\$1,219,999.43
Total Budget	\$0.00	\$1,219,999.43
Total Obligated	\$0.00	\$1,219,999.43
Total Funds Drawdown	\$0.00	\$1,219,999.43
Program Funds Drawdown	\$0.00	\$1,219,999.43
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$1,219,999.43
City of Spokane	\$0.00	\$1,219,999.43
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Construct 34 new affordable rental housing units for the purpose of renting them to very low-income households.

Location Description:

East Sprague Ave in Spokane.

Activity Progress Narrative:

This is a new, 37 unit multi-family housing developed, owned and managed by Inland Empire Residential Resources (IERR) a local nonprofit.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with solar panels	0	0/0
#Low flow toilets	0	0/0
#Low flow showerheads	0	0/0



#Units with bus/rail access	0	0/0
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units \geq other green	0	0/0
Activity funds eligible for DREF	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	31	31/34
# of Multifamily Units	31	31/34
# of Singlefamily Units	0	0/0

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	31	0	31	31/34	0/0	31/34	100.00
# Renter Households	31	0	31	31/34	0/0	31/34	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

Match Sources

	Amount
Local match	\$4,670,000.00
Subtotal Match Sources	

Other Funding Sources

	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

