

**Grantee: Aurora, CO**

**Grant: B-11-MN-08-0001**

**January 1, 2012 thru March 31, 2012 Performance Report**

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**Grant Number:**

B-11-MN-08-0001

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

Aurora, CO

**Contract End Date:**

03/10/2014

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$2,445,282.00

**Grant Status:**

Active

**QPR Contact:**

Jeff Hancock

**Estimated P/RL Funds:**

\$1,000,000.00

**Total Budget:**

\$3,445,282.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The city of Aurora designed its NSP3 program with HUD's goal in mind of making targeted investments in a smaller number of neighborhoods to produce the greatest impact possible. HUD's NSP3 mapping tool was utilized to identify those potential target areas with NSP3 Need Scores (risk scores) of 17-20. Because the foreclosure crisis has hit Aurora so hard, a large number of neighborhoods had Need Scores of 17 or above. Additional research was performed on those neighborhoods to narrow the list of target areas down to a manageable number. A review of new foreclosure filings, discussion with local realtors, examination of HUD impact numbers, and physical inspection by Aurora's Community Development staff eventually led to three final NSP3 target areas in Aurora. All three target areas have Need Scores of 20, and consist of two single family areas and one area that is predominantly made up of multi-family properties. All three target areas are located in north Aurora and will help to continue the stabilizing effects begun with the city's NSP1 program in those same neighborhoods.

The city of Aurora has budgeted 61% of its NSP3 grant, or \$1,489,433.30, for the acquisition, rehabilitation, and resale of foreclosed and abandoned single family homes within two target areas. While it is possible that some of these rehabilitated homes will be sold to buyers at or below 50% AMI and thus help Aurora meet the 25% set aside requirement, we are not assuming that will be the case.

Another 25% of Aurora's NSP3 grant, or \$611,320.50, has been budgeted for the acquisition, rehabilitation, and rental of multi-family units that have been foreclosed and abandoned. The city of Aurora may potentially partner with a local non-profit organization to provide permanent housing to its clients while receiving services. It is anticipated that all units rehabilitated via this activity will house renters at or below 50% AMI, thus satisfying the 25% set aside requirement.

The city of Aurora will provide homebuyer assistance financing in the amount of \$100,000 to income eligible homebuyers. This represents 4% of Aurora's total NSP3 grant.

The remaining 10% of the grant, or \$244,528.20, will be used to administer Aurora's NSP3 program.

### How Fund Use Addresses Market Conditions:

Aurora continues to suffer from the effects of the foreclosure crisis. While the number of estimated foreclosures in Aurora has declined slightly over the last few years, vacant and abandoned properties remain a problem within the city. Aurora used the majority of its NSP1 funding to combat blight and property decay in the northern portion of the city by acquiring and rehabilitating homes in poor condition and turning them into high quality properties that became a source of pride for those particular neighborhoods. In many cases, homeowners of neighboring properties began to improve their own homes after seeing the work done by the city of Aurora on its NSP1 properties.

We believe the city of Aurora has played some role in helping to stop the decay of neighborhoods in those areas where we have invested NSP funds, both in terms of physical appearance and property values, when compared to two years ago. Home values in north Aurora on the low end of the existing market, generally considered to be those homes valued at or below \$125,000, have seen prices stabilize. Homes below \$100,000 have actually seen values increase in some neighborhoods.

The city of Aurora intends to run its NSP3 program similarly to its NSP1 program, and anticipates achieving even more success in combating negative market conditions by building upon the work already done with NSP1.

### Ensuring Continued Affordability:

Aurora's NSP3 program affordability will be structured as mandated under the HOME program rule, and will depend on the type of activity (rental or homeowner) and level of NSP funding. Continued affordability will be governed through adherence to the specific HOME monitoring requirements as defined in 24 CFR Part 92. Depending on the type of project and level of assistance provided under NSP an appropriate covenant will be recorded on the property title for a period of time as required under HOME.

The minimum affordability period is listed below:



Assistance up to \$15,000 = 5 years

\$15,001 to \$40,000 = 10 years

Above \$40,000 = 15 years

For those projects with a direct NSP homebuyer subsidy, we will follow Recapture policy.

**Definition of Blighted Structure:**

The city of Aurora utilizes local ordinances as guidance for determining whether a property is deemed appropriate for demolition. Local code stipulates the following criteria for dilapidated, unsafe or uninhabitable structures:

City of Aurora staff from the Community Development Division and the Code Enforcement Division within the Neighborhood Services Department collectively deem a property blighted and/or a nuisance to a neighborhood when there exists any partially or uncompleted structure or abandoned or un-maintained property, which may include parking garages or residential buildings, that substantially annoys and/or endangers the comfort, health, repose, or safety of the public by reason of vandalism, inadequate maintenance, or abandonment. This may include boarded up buildings with no signs of construction or remodeling activity, and/or unsecured openings. In addition, any property can be deemed blighted if it is determined to have created an attractive nuisance that may be detrimental to children, to include basements or excavations, lumber, and/or trash and debris, which may be hazardous to minors.

In cases where the city may proceed with demolition, the following general steps will be followed:

1. Determination of blight made for a property and submitted to file.
2. Request bids from qualified contractors for demolition.
3. Demolition completed.
4. City of Aurora or eligible partner redevelops site as housing within the NSP3 grant period, or in the case of land banking, holds the property for future development for no longer than 10 years.

**Definition of Affordable Rents:**

For the purposes of Aurora's NSP3 program, affordable rents shall be defined as low HOME rents applicable to households at or below 50% of AMI and high HOME rents applicable to households between 50% and 80% of AMI. For households between 80% and 120% of AMI, HUD's Fair Market Rents shall apply.

**Housing Rehabilitation/New Construction Standards:**

The city of Aurora's Community Development Division has existing rehabilitation standards that are utilized in the daily administration of the Single Family and Multi-Family Rehabilitation programs. These standards have been structured to satisfy the requirements of the HOME program. The rehabilitation standards also meet NSP3 requirements. In most circumstances, staff will analyze properties and complete rehabilitation work write-ups with specific attention paid to energy efficiencies. Staff intends to build in significant energy efficiency measures for each property, as appropriate, in order to ensure long-term cost savings for homeowners that purchase NSP rehabilitated homes.

**Vicinity Hiring:**

The city of Aurora will to the greatest extent feasible ensure vicinity hiring by adding language to the contracts of general contractors selected to rehabilitate our NSP3 properties that requires they attempt to hire workers and sub-contract small businesses from the immediate area where projects are located.

**Procedures for Preferences for Affordable Rental Dev.:**

- When determining local priorities for the development of affordable rental housing under the NSP3 program, the city of Aurora will follow the goals, objectives and strategies outlined in Aurora's HUD-approved Consolidated Plan and Neighborhood Revitalization Strategy for the years 2010-2014.

**Grantee Contact Information:**

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Paul Andrus, Acting Manager of Community Development pandrus@auroragov.org 303-739-7938

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$2,445,282.00
<b>Total Budget</b>	\$0.00	\$2,445,282.00
<b>Total Obligated</b>	\$696,195.17	\$1,733,961.50
<b>Total Funds Drawdown</b>	\$398,195.62	\$1,129,921.45



Program Funds Drawdown	\$398,195.62	\$1,129,921.45
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$381,526.34	\$1,192,359.27
Match Contributed	\$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	\$366,792.30	\$0.00
Limit on Admin/Planning	\$244,528.20	\$89,880.73
Limit on State Admin	\$0.00	\$89,880.73

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$244,528.20	\$244,528.20

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$611,320.50	\$611,320.50

## Overall Progress Narrative:

The city of Aurora acquired one new vacant and foreclosed single family home with NSP3 funds in the first quarter of 2012. Aurora has now acquired a total of nine single family homes under its NSP3 program, including six properties in target area #1 and three properties in target area #2.

Rehabilitation is almost complete on Aurora's first three NSP3 homes. We expect those homes to be completed by late April and listed for sale in early May. Another three homes are undergoing construction at this time and are scheduled for completion by early June. Descriptions of work are being finalized on the last three properties, and the construction work on those homes will be put out to bid in the next few months.

Thus far Aurora has not had success in locating a suitable foreclosed multi-family property to purchase and rehabilitate to assist us in meeting the 25% set-aside requirement of NSP3. If a property is not located in the next quarter, Aurora may request a revision to its NSP3 substantial amendment to allow for the use single family home rehabilitation in meeting its set-aside requirement.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3001, Single Family Acquisition/Rehabilitation/Resale	\$352,261.08	\$1,489,433.30	\$1,040,040.72



NSP3002, Multi-Family Acquisition/Rehabilitation	\$0.00	\$611,320.50	\$0.00
NSP3003, Homebuyer Assistance Financing	\$0.00	\$100,000.00	\$0.00
NSP3004, Administration	\$45,934.54	\$244,528.20	\$89,880.73



## Activities

**Grantee Activity Number:** NSP3-001  
**Activity Title:** Acquisition/Rehab/Resale

**Activity Category:**

Acquisition - general

**Project Number:**

NSP3001

**Projected Start Date:**

05/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Single Family Acquisition/Rehabilitation/Resale

**Projected End Date:**

03/10/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Aurora

Overall	Jan 1 thru Mar 31, 2012	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$2,682,752.32
<b>Total Budget</b>	\$0.00	\$2,682,752.32
<b>Total Obligated</b>	\$696,195.17	\$1,439,433.30
<b>Total Funds Drawdown</b>	\$252,889.61	\$629,593.06
<b>Program Funds Drawdown</b>	\$252,889.61	\$629,593.06
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$345,625.83	\$1,085,045.70
City of Aurora	\$345,625.83	\$1,085,045.70
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Foreclosed and abandoned single family homes will be acquired, rehabilitated, and sold to income-eligible homeowners.

**Location Description:**

All properties acquired will be located in north Aurora in target areas #1 and #2 as described in Aurora's NSP3 action plan.

**Activity Progress Narrative:**

The city of Aurora has acquired a total of nine vacant and foreclosed single family homes under its NSP3 program as of March 31, 2012. Six of those homes are undergoing rehabilitation at the present time. Construction on the final three homes should begin in the next few months.

All homes will be completely rehabilitated. Construction will vary slightly from home to home, but each home will have some or most of the following work done:

Furnace and water heater replacement with energy star rated equipment, electrical service upgrades, new E-star vinly windows, addition of GEO rated attic and wall insulation, new interior doors, interior painting, new kitchen cabinets and countertops, plumbing upgrades, lead based paint reduction work, new tub/shower surround and fixtures, new roofs, and new landscaping.



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/9
# of Parcels acquired voluntarily	0	0/9

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/9
# of Singlefamily Units	0	0/9

## 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	0/9	0/9	0
# Owner Households	0	0	0	0/0	0/9	0/9	0

## 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:** NSP3-004  
**Activity Title:** Administration

**Activity Category:**

Administration

**Project Number:**

NSP3004

**Projected Start Date:**

03/10/2011

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

03/10/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Aurora

**Overall**

	<b>Jan 1 thru Mar 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$419,528.00
<b>Total Budget</b>	\$0.00	\$419,528.00
<b>Total Obligated</b>	\$0.00	\$244,528.20
<b>Total Funds Drawdown</b>	\$45,934.54	\$89,880.73
<b>Program Funds Drawdown</b>	\$45,934.54	\$89,880.73
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$29,358.16	\$92,008.83
City of Aurora	\$29,358.16	\$92,008.83
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

This activity pertains to program administration only.

**Location Description:**

**Activity Progress Narrative:**

This activity pertains to program administration only.

**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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**Grantee Activity Number:** NSP3OPC

**Activity Title:**

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP3001

**Projected Start Date:**

05/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Single Family Acquisition/Rehabilitation/Resale

**Projected End Date:**

03/10/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Aurora

**Overall**

	<b>Jan 1 thru Mar 31, 2012</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$65,000.00
<b>Total Budget</b>	\$0.00	\$65,000.00
<b>Total Obligated</b>	\$0.00	\$50,000.00
<b>Total Funds Drawdown</b>	\$7,940.80	\$12,570.69
<b>Program Funds Drawdown</b>	\$7,940.80	\$12,570.69
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$6,542.35	\$15,304.74
City of Aurora	\$6,542.35	\$15,304.74
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Grass cutting, snow shoveling and utilities for properties while they are undergoing rehabilitation.

**Location Description:**

Various city of Aurora NSP3 properties.

**Activity Progress Narrative:**

Grass cutting, snow removal and utilities for NSP3 properties while they are undergoing rehabilitation.

**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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