

Comments from the public are invited and should be submitted to the Department of Community and Human Development, P.O. Box 1890, El Paso, Texas 79901, **no later than** 6:00 p.m. on Monday, July 29, 2013.



**THE NSP SUBSTANTIAL AMENDMENT**  
**PROPOSED AMENDMENT (DATE)**

Jurisdiction(s): <b>City of El Paso</b> <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: <b>Jane Tomchik</b> Address: <b>PO Box 1890, El Paso 79901</b> Telephone: <b>(915) 541-4377</b> Fax: <b>(915) 541-4370</b> Email: <a href="mailto:tomchikj@elpasotexas.gov">tomchikj@elpasotexas.gov</a>
Jurisdiction Web Address: <ul style="list-style-type: none"><li>• <a href="http://www.elpasotexas.gov">www.elpasotexas.gov</a></li></ul>	

**A. AREAS OF GREATEST NEED**

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Response:

The City of El Paso analyzed five data sources to identify the geographic area of greatest need. Those sources are:

- Estimated Risk of Foreclosure and Abandonment data (HUD)
- Home Mortgage Disclosure Act (HMDA) data on the percent of all loans made between 2004 and 2006 that are high cost as of 2008 (Federal Reserve Bank)
- Predicted 18 Month Underlying Foreclosure Rate as of 2008 (HUD)
- Foreclosure Notices issued in El Paso between 8/13/2008 and 9/16/2008 (Del Norte Title Company)
- Tax Foreclosed (Struck Off Properties) in El Paso (El Paso County Tax Assessor)

Home Mortgage Disclosure Act (HMDA) data reflects that 40.97% or more of the loans issued between 2004 and 2006 in Census Tracts 103.13, 103.15, 39.01, 39.02, 40.02, 20.00, 21.00, 28.00, 29.00, and 26.00 were high cost loans. Additionally, the predicted eighteen month underlying problem foreclosure rate for Census Tracts 103.13, 103.15, 39.01, 17.00, and 21.00 is between 5.66 and 7.84. The Predicted eighteen month underlying problem foreclosure rate for Census Tracts 20.00, 28.00, 29.00, 40.02, 39.02, and 26.00 is even greater at a rate of 7.85 or more. This data is evidence that this activity is necessary to address areas that have been identified with the greatest percentage of home

foreclosures and areas with a high percentage of homes financed by a subprime mortgage related loan. Additionally data produced by RealtyTrac shows a proportionately high concentration of mortgage foreclosure notices were issued in Census Tracts 103.13, 103.15 compared to the City overall. Census Tracts 103.13 and 103.15 are new developments that occurred within the last five years corresponding to the increase in the issuance of subprime/predatory loans.

According to HUD Estimated Risk of Foreclosure and Abandonment risk score, Census Tracts 17.00, 20.00, 21.00, 26.00, 28.00, 29.00 have a risk score of 10, the highest score possible. Census Tracts 8.00 and 19.00 have a risk score of 8. The aforementioned Census Tracts are also located in the Neighborhood Revitalization Areas.

The data provided above represents the areas identified as having the greatest needs in the City of El Paso, including the areas with the greatest percentage of home foreclosures, the areas with the highest percentage of homes financed by a subprime mortgage related loan, and the areas identified by the City of El Paso as likely to face a significant rise in the rate of home foreclosures.

Additional information/clarification (1/7/09):

According to data provided by HUD the Census Tracts with the highest percentage of foreclosures (highest 5) are:

CT	Percentage	# of foreclosures
20.00	15.39%	2
29.00	11.11%	3
105.04	11.11%	3
104.03	9.65%	39
28.00	8.99%	8

According to data provided by HUD the Census Tracts with the highest number of foreclosures (highest 5) are

CT	Percentage	# of foreclosures
103.20	5.42%	306
103.15	5.86%	261
103.13	6.15%	225
102.09	2.60%	202
103.21	5.29%	179

According to data provided by HUD the Census Tracts with the highest percentage of homes financed by a sub prime mortgage related loan (highest 5) are:

CT	Percentage	# of homes financed by sub prime mortgage related loan
5.00	100%	1
20.00	100%	6
105.04	83.33%	10
29.00	75.00%	39
104.03	68.68%	125

According to data provided by HUD the Census Tracts with the highest number of homes financed by a sub prime mortgage related loan (highest 5) are:

CT	# of high cost loans	Percentage
103.20	982	38.57%
103.15	850	42.31%
103.13	736	44.66%
102.09	647	18.45%
103.21	585	38.39%

In reviewing the above data, it became very apparent that the areas with the highest percentages of foreclosures and with the highest percentages of homes financed by a sub prime mortgage related loan were not the areas with the greatest need, as they have a relatively small number of foreclosures and/or homes financed by a sub prime mortgage related loan. Conversely it was the areas with the highest number of foreclosures and with the highest number of homes financed by a sub prime mortgage related loan were the areas with the greatest need. Accordingly, census tracts according 103.20, 103.15, 103.13, 102.09 and 103.21 would be the areas of greatest need.

Census Tract 103.20 – Census tract 103.20 is located both in El Paso County and the City of El Paso. Our analysis shows that approximately .03% of the census tract is located in the City of El Paso. It is our belief that the data provided is for the entire census tract and the actual number of foreclosures and homes financed by a sub prime mortgage related loan in the census tract located in the City of El Paso is relatively small, thus this census tract was not targeted.

Census Tract 103.15 – A target census tract

Census Tract 103.13 – A target census tract

Census Tract 102.09 – Census tract is located on the west side of El Paso and is often referred to as the Upper Valley. This census tract is a “high cost” census

tract with a median sales price of approximately \$200,000. It is the City's opinion that homes that would be acquired in this census tract would be affordable to families 120% and below the median income for El Paso and with the minimal funding a greater impact will be made in other census tract with a high concentration of foreclosures and homes financed by a sub prime mortgage related loan.

Census Tract 103.21 – Although census tract 103.21 has a high ranking of both foreclosures and homes financed by a sub prime mortgage related loan, the City of El Paso believes the greatest impact will be had by targets funds to acquisition/disposition of foreclosed properties in census tract 103.15 and 103.13, versus employing the “shotgun approach” and having little or no impact, thus census tract 103.21 was not selected as a target area.

Census Tracts – 8, 17, 18, 19, 20, 21, 26, 28, 29

The foregoing Census Tracts are all located in the Chamizal Neighborhood Revitalization Strategy Area, the Lower Dyer Neighborhood Revitalization Strategy Area, the Empowerment Zone or the Segundo Barrio Revitalization area. All of these census tracts are areas where there are high rates of tax foreclosed properties and areas that rank the highest (10 out of 10) on the Estimated Risk of Foreclosure and Abandonment. Further, the NSP requires grantees to expend not less than 25 percent of the funds for the purchase of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. Given the low incomes in El Paso, it is not practical for families at 50% or below of the area median income to achieve or maintain affordable homeownership, particularly in the census tracts identified as the areas of greatest need, i.e. 103.20, 103.15, 103.13, 102.09 and 103.21. It is the intent to redevelop a multi unit facility for rental purposes within one of the identified tracts and a minimum of four cottage homes, approximately 800 sq. ft. for sale to house individuals or families whose incomes do not exceed 50 percent of the area median income. Census Tracts 103.20, 103.15, 103.13, 102.09 and 103.21 are all primarily single unit development with land not properly zoned for multi-family and will not allow the size of the units proposed.

As the result of a subsequent amendment to the Neighborhood Stabilization Program, the City of El Paso added the following language:

The City of El Paso will acquire and rehabilitate mortgage foreclosed properties in Census Tracts:

103.13, 103.15, 39.01, 39.02, 40.02,  
1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02,  
23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03,  
41.04,  
41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07'

103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

All of the additional Census Tracts meet three or more of the following criteria:

- 1) The estimated number of foreclosures equals 30 or more.
- 2) The estimated foreclosure rate equals 5.00% or more.
- 3) The number of all loans made between 2004 and 2006 that are high cost as of 2008 equals 50 or more.
- 4) The estimated high-cost loan rate equals 50% or more.
- 5) The estimated risk of foreclosure and abandonment equals 8 or more.

The City of El Paso will also transfer ownership of two (2) of the NSP rehabilitated homes secured originally for the homeownership component, to the El Paso Collaborative for Community and Economic Development for management as rental units targeting families with income at or below 120% of AMI. If, within the fifteen (15) year affordability period, qualified homebuyers for the properties are identified, the Collaborative can, with the City's approval, sell one or both of the properties.

## ***B. DISTRIBUTION AND USES OF FUNDS***

The City of El Paso will distribute NSP funds as follows:

Acquisition and rehabilitation of Mortgage Foreclosed Properties for Home Ownership	\$771,551.61
Acquisition of Mortgage Foreclosed Properties for Rental and/or Home Ownership	\$210,748.39
Acquisition of Tax Sale Properties and Redevelop as Multi Family properties	\$1,946,918
Direct Homeownership Assistance	0
Administration	\$324,046.28
Total Budget:	\$3,253,264.28

Note: Budget amounts and activities may be increased in the future based on program income received.

Response:

The City of El Paso will acquire and rehabilitate mortgage foreclosed properties in Census Tracts 103.13, 103.15, 39.01, 39.02, and 40.02. The acquired and rehabilitated properties will be sold at a discount to families at or below 120% of the area median income. The City will provide homeownership assistance to the homebuyers to insure affordability. These activities will assist in reducing the number of foreclosed homes in the areas of the City with the greatest percentage of home foreclosures, with the areas of the highest percentage of homes financed by a subprime mortgage related loan, and in areas identified by the City as likely to face a significant rise in the rate of home foreclosures.

The City will identify and acquire abandoned and vacant tax foreclosed properties in Census Tracts 8.00, 17.00, 18.00, 19.00, 20.00, 21.00, 26.00, 28.00, and 29.00. Properties acquired will be utilized to rehabilitate or redevelop single family and multifamily units. Single family units will be sold at a discount to families at 50% and below the area median income. The City will provide homeownership assistance to the homebuyers to ensure affordability. The developed multifamily units will be rented to families whose incomes are at or below 50% area median income. These Census Tracts have been identified as areas of High Risk of Foreclosure and Abandonment and have the highest percentage of homes financed by a subprime mortgage related loan.

The City will also identify and demolish blighted structures located in Census Tracts 8.00, 17.00, 18.00, 19.00, 20.00, 21.00, 26.00, 28.00, and 29.00. The parcels upon which the structures are demolished may be utilized for

redevelopment purposes. According to HUD Foreclosure and Abandonment Risk Score, the targeted areas have a risk score of 10, the highest score possible. Census Tracts 8.00 and 19.00 have a risk score of 8 according to the HUD Foreclosure and Abandonment Risk Score. The aforementioned Census Tracts are also located in the areas of the highest percentage of homes financed by a subprime mortgage related loan.

The City of El Paso will acquire and rehabilitate mortgage foreclosed properties in Census Tracts:

103.13, 103.15, 39.01, 39.02, 40.02, 1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02, 23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03, 41.04, 41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07, 103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

### **C. DEFINITIONS AND DESCRIPTIONS**

(1) Definition of “blighted structure” in context of state or local law.

Response:

The City of El Paso utilizes the International Building Code definition of “blighted structure” as follows:

18.50.050 Section 202 General Definitions—Amended

Urban Nuisance. Premises or structure that is dilapidated, substandard, or unfit for human habitation and a hazard to the public health, safety and welfare.

#### 18.50.108 UNSAFE STRUCTURES

##### 18.50.108.1 General.

When a structure or equipment is found by the official to be unsafe, or when a structure is found unfit for human occupancy, or is found unlawful, such structure or equipment shall be condemned pursuant to the provisions of Chapter 2.38 of the code. (Ord. 16327 § 1 (part), 2006)

##### 18.50.108.1.1 Unsafe structures.

An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is possible. (Ord. 16327 § 1 (part), 2006)

#### 18.50.108.1.3 Structure unfit for human occupancy.

A structure is unfit for human occupancy whenever the official finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is unsanitary, vermin or rat infested, contains filth or contamination, or lacks ventilation, illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the occupants of the structure or to the public. (Ord. 16327 § 1 (part), 2006)

#### 18.50.108.1.4 Unlawful structure.

An unlawful structure is one found in whole or in part to be occupied by more persons than permitted under this code, or the structure was erected, altered or occupied contrary to the city code. (Ord. 16327 § 1 (part), 2006)

(2) Definition of “affordable rents.” *Note:* Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

The City of El Paso utilizes the definition of affordable rents as published by the Department of Housing and Urban Development on an annual basis and as defined in 24 CFR 92.252 Qualification as Affordable Housing: Rental Housing noted below:

Rent limitation: Rents charged to eligible households will not exceed the HUD guidelines for established high or low HOME rent levels, depending on the Project.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The City of El Paso has detailed Affirmative Marketing and Monitoring Policies that are utilized for rental projects. The City will ensure continued affordability for rental projects that are assisted with NSP funding thru the following process:

1. Owners of rental projects resulting in one or more rental units that are assisted with NSP funding are initially made aware of the Affirmative Marketing procedures at the time their applications are approved.
2. When the project is approximately 50% complete, a meeting is scheduled with the owners and property managers to review in detail

the Affirmative Marketing and monitoring requirements that are in compliance with 24 CFR 92 Subparts F and H.

3. The owners are given copies of their Financial Term Contract and Covenants Running with the Land that were signed prior to the start of the rental project. This serves as a reminder, as well as a reference for the requirements that must be adhered to that include:
  - A. 24 CFR 92.216 concerning the number of rental units that will be initially occupied by families that are  $\leq 50\%$  of area median income and the requirement for annual reexaminations;
  - B. The maximum initial rent that may be charged;
  - C. Compliance with the Federal Fair Housing Law;
  - D. The affordability period, which is in compliance with CFR 92.254;
  - E. CFR 92.252 regarding Affordable Housing as it relates to rent limitations, rent schedules, increases in tenant income and adjustments of qualifying rent.
4. In order to assure compliance with the Project Requirements of the NSP program (as defined in Subpart F of 24 CFR Part 92) the owner must submit a copy of the Lease that will be used, a copy of the tenant application and a written description of the tenant qualification process that will be utilized to verify the tenant incomes, prior to their use.
5. The owners are required to place an ad in the city-wide newspaper (and others of their choice) that announces the availability of the rental units and that they were completed with Federal funds. Sample newspaper ads in English and Spanish are given to the owners for their use. They are also required to notify (at a minimum) the local Housing Authority, Project Bravo, VOLAR (an agency that assists persons with disabilities) and the City's Relocation Office. A form was developed for use in notifying these agencies. The owners are also required to display the Equal Housing logo and Fair Housing posters (in English and Spanish) wherever the tenant applications are provided and accepted.
6. Owners are required to maintain copies of all advertising, as vacancies occur throughout the year and to submit on an annual basis, in January of each year, to the Housing Programs Division, along with the Available Vacancies and Annual Rental Reports. If the information is incomplete or unacceptable, the owners will be contacted immediately and advised as to how they must rectify the situation and ensure that it does not occur again.
7. The initial Maximum Rents and Incomes of the tenants are reviewed again at the meeting with the owners. All of the NSP assisted units

must be occupied by families whose income does not exceed 50% of area median income. The affordability period is also reviewed, as stated in the Financial Terms Contract.

8. The following documentation is reviewed and provided to the owners during the Affirmative Marketing Meeting:

“What is Fair Housing and Affirmative Marketing?”

A listing of applicable Equal Opportunity Laws and Executive Orders

Affirmative Marketing Procedures

Affirmative Marketing Policy

Notification Letter for Available Vacancies (Sample letter to send to the Housing Authority, Project BRAVO, VOLAR, City Relocation office whenever there are vacancies during the year)

Sample Newspaper Ad (for the local city-wide newspaper, at a minimum)

Fair Housing Posters (English & Spanish) and Equal Opportunity House Stickers

Project Completion Form (90-day Demographics)

Annual Rental Report and Available Vacancies Report

Rent and Utility Information

Section 504 Requirements (five or more units)

Sample one-year lease waiver form

Tenant and Participant Protections – HOME Regulations 92.253

Tenant Participation Plan – HOME Regulation 92.303 (for CHDO)

9. Prior to concluding the Affirmative Marketing Meeting the owners are required to sign an Affirmative Marketing Agreement that confirms they understand their responsibility to:

- A. Submit the Annual Rental Report each January;

- B. Forward the notification letter and listing of Available Vacancies to the local agencies, following completion of the project and then as vacancies occur;

- C. Advertise all vacancies in the local newspaper and keep copies in their file;

- D. All possible efforts will be made to reach individuals of all identified minority sectors within the community to inform them of available housing units.

10. Within no more than 90 days from initial occupancy, the owners are required to submit the Demographics of the tenants who are initially occupying the units. Housing Programs has developed a form for the owner to use in submitting this information, which includes the data requested by HUD.

11. The first monitoring of the owners files is scheduled for six months after initial occupancy and then annually thereafter, to assure compliance for the duration of the affordability period. The Housing Programs Division will utilize the HUD Monitoring Checklist, the HUD Guide for Determining Income and the project compliance forms as a guide in fine-tuning our existing Monitoring Checklist. The owners receive written results of the monitoring review. In addition, the Housing Quality Standards review is conducted during the same time period.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

1. New construction minimum property standards must comply with:
  - A. Local Codes
  - B. Zoning Ordinances
  - C. Model Energy Code or equivalent
  - D. The site must meet the requirements of 24 CFR 983.6(b)
  - E. Accessibility requirements, where applicable
2. Rehabilitation minimum property standards must comply with the International Building Codes as adopted by the City of El Paso, the requirements of the State of Texas Historical Commission, the Historic Landmark Commission and accessibility requirements established by local, state and federal laws and regulations.

#### ***D. LOW INCOME TARGETING***

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income:

\$1,946,918

*Note:* At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

It is estimated that a minimum of \$1,946,918 or more than 40% of the total NSP allocation will be used for housing individuals and families whose income do not exceed 50 percent of area median income.

Additional information/clarification (1/7/09):

The City of El Paso will review and certify the income for all participants to insure that the income targeting is met.

## ***E. ACQUISITIONS & RELOCATION***

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

Response:

The City of El Paso does not intend to demolish or convert any low- and moderate-income dwelling units.

## ***F. PUBLIC COMMENT***

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

*Note:* proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Response:

## ***G. NSP Information by Activity:***

**Activity Name: Acquisition/Rehabilitation - Home Ownership**

**Activity Type:** NSP eligible use – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG eligible activity -

- 24 CFR 570.201(a) Acquisition, (b) Disposition
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

Acquire and rehabilitate six (6) foreclosed or abandoned properties for sale to income eligible persons.

**National Objective:**

Benefit to Low, Moderate or Middle Income (LMMH) households whose income is at or below 120 percent of area median income;

**Activity Description:**

**a. Area of greatest need:**

Home Mortgage Disclosure Act (HMDA) data reflects that 40.97% or more of the loans issued between 2004 and 2006 in Census Tracts 103.13, 103.15, 39.01,39.02, 40.02, 20.00, 21.00, 28.00, 29.00, and 26.00 were high cost loans. Additionally, the predicted eighteen month underlying problem foreclosure rate for Census Tracts 103.13, 103.15, 39.01, 17.00, and 21.00 is between 5.66 and 7.84. The Predicted eighteen month underlying problem foreclosure rate for Census Tracts 20.00, 28.00, 29.00, 40.02, 39.02, and 26.00 is even greater at a rate of 7.85 or more. This data is evidence that this activity is necessary to address areas that have been identified with the greatest percentage of home foreclosures and with a high

percentage of homes financed by a subprime mortgage related loan.

In April 2010, HUD and Home Mortgage Disclosure Act (HMDA) data was further evaluated to determine additional areas of greatest need. All of the additional Census Tracts listed below meet three or more of the following criteria:

- 1) The estimated number of foreclosures equals 30 or more.
- 2) The estimated foreclosure rate equals 5.00% or more.
- 3) The number of all loans made between 2004 and 2006 that are high cost as of 2008 equals 50 or more.
- 4) The estimated high-cost loan rate equals 50% or more.
- 5) The estimated risk of foreclosure and abandonment equals 8 or more.

1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02, 23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03, 41.04, 41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07, 103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

**b. Expected benefit to income-qualified persons under Activities:**

These activities propose to acquire, rehabilitate, rent and sell single family homes for homeownership for families at or below 120% AMI. These funds will not target or benefit families at or below 50<sup>^</sup> of the AMI.

**Location Description:**

Target Areas of the City include:

Chamizal Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tracts 26.00, 28.00, 29.00) El Paso Empowerment Zone

Lower Dyer Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tract 8.00)

Segundo Barrio Neighborhood Revitalization  
(Census Tracts 17.00, 18.00, 19.00, 20.00, 21.00) El Paso Empowerment Zone

East El Paso  
(Census Tracts 103.13, 103.15)

Ysleta Neighborhood  
(Census Tracts 39.01, 39.02, 40.02)

**Performance Measures:**

**PROPOSED**

**Income Groups**

51% - 120% AMI

**Number of Units Financed**

6 (homeownership)

**Total Budget:** \$771,551.61

**Responsible Organization:**

The City of El Paso's Department of Community and Human Development will be the responsible organization.

City of El Paso, Texas  
Department of Community and Human Development  
PO Box 1890  
El Paso, Texas 79901  
(915) 541-4643  
(915) 541-4370 fax

Bill Lilly, Director of Community and Human Development  
[lillywl@elpasotexas.gov](mailto:lillywl@elpasotexas.gov)

**Projected Start Date:** February 1, 2009

**Projected End Date:** August 31, 2013

**Specific Activity Requirements:**

For acquisition activities, include:

- discount rate: 0-3%

For housing related activities, include:

The assistance will be in the form of a discount on the purchase price. The discount amount will be calculated into the total assistance for determination of the affordability period consistent with HUD program standards at 24 CFR 92.254 and 24 CFR 92.252.

- tenure of beneficiaries--rental or homeownership: home ownership
- For single family homeownership, the tenure of beneficiaries will be consistent with affordability as defined in the HUD program standards at 24 CFR 92.254.

Homeownership assistance NSP amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

- a description of how the design of the activity will ensure continued affordability

Duration of affordability will comply with HOME program standards at 24 CFR 92.254 and 24 CFR 92.252.

### **Activity Name: Acquisition/Rehabilitation – Rental/Home Ownership**

**Activity Type:** NSP eligible use – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG eligible activity -

- 24 CFR 570.201(a) Acquisition, (b) Disposition
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
- Acquire and rehabilitate two (2) homes for rental and/or sale.

### **National Objective:**

Benefit to Low, Moderate or Middle Income (LMMH) households whose income is at or below 120 percent of area median income;

## **Activity Description:**

### **a. Area of greatest need:**

Home Mortgage Disclosure Act (HMDA) data reflects that 40.97% or more of the loans issued between 2004 and 2006 in Census Tracts 103.13, 103.15, 39.01, 39.02, 40.02, 20.00, 21.00, 28.00, 29.00, and 26.00 were high cost loans. Additionally, the predicted eighteen month underlying problem foreclosure rate for Census Tracts 103.13, 103.15, 39.01, 17.00, and 21.00 is between 5.66 and 7.84. The Predicted eighteen month underlying problem foreclosure rate for Census Tracts 20.00, 28.00, 29.00, 40.02, 39.02, and 26.00 is even greater at a rate of 7.85 or more. This data is evidence that this activity is necessary to address areas that have been identified with the greatest percentage of home foreclosures and with a high percentage of homes financed by a subprime mortgage related loan. In April 2010, HUD and Home Mortgage Disclosure Act (HMDA) data was further evaluated to determine additional areas of greatest need. All of the additional Census Tracts listed below meet three or more of the following criteria:

- 1) The estimated number of foreclosures equals 30 or more.
- 2) The estimated foreclosure rate equals 5.00% or more.
- 3) The number of all loans made between 2004 and 2006 that are high cost as of 2008 equals 50 or more.
- 4) The estimated high-cost loan rate equals 50% or more.
- 5) The estimated risk of foreclosure and abandonment equals 8 or more.

1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02, 23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03, 41.04, 41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07, 103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

### **b. Expected benefit to income-qualified persons under Activity:**

These activities propose to acquire, rehabilitate, rent and sell single family homes for homeownership for families at or below 120% AMI. These funds will not target or benefit families at or below 50% of the AMI.

### **c. Location Description:**

Target Areas of the City include:

Chamizal Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tracts 26.00, 28.00, 29.00) El Paso Empowerment Zone

Lower Dyer Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tract 8.00)

Segundo Barrio Neighborhood Revitalization  
(Census Tracts 17.00, 18.00, 19.00, 20.00, 21.00) El Paso Empowerment Zone

East El Paso  
(Census Tracts 103.13, 103.15)

Ysleta Neighborhood  
(Census Tracts 39.01, 39.02, 40.02)

**Performance Measures:**

PROPOSED

Income Groups

81 - 120% AMI

Number of Units Financed

2 (rental/home ownership)

**Note: Additional activities may be added to these income groups depending on the amount of program income generated.**

**Total Budget:** \$210,748.39

**Responsible Organization:**

The City of El Paso's Department of Community and Human Development will be the responsible organization for acquisition and rehabilitation

City of El Paso, Texas  
Department of Community and Human Development  
PO Box 1890  
El Paso, Texas 79901  
(915) 541-4643  
(915) 541-4370 fax

Bill Lilly, Director of Community and Human Development  
[lillywl@elpasotexas.gov](mailto:lillywl@elpasotexas.gov)

The will be the responsible organization for

**Projected Start Date:** August 1, 2013

**Projected End Date:** September 30, 2013

## **Specific Activity Requirements:**

For acquisition activities, include:

- discount rate: 0-3%

Rental Activity:

Duration of affordability will comply with HOME program standards at 24 CFR 92.254 and 24 CFR 92.252.

## **Activity Name: Acquisition/Construction – Multi-Family Rental**

**Activity Type:** NSP eligible use – Purchase property for the construction of multi family rental units. .

CDBG eligible activity –

- 24 CFR 570.202 Eligible Rehab and Preservation Activities  
Rehabilitation of existing structures not meeting definition/criteria for demolition of blighted structures.
- 24 CFR 570.204 Special Activities by Community Based Development Organizations (CBDOs)  
New Construction of Affordable Housing on existing vacant lots or vacant lots resulting from the demolition of eligible blighted structures.

The City proposes to redevelop tax foreclosed vacant land or an abandoned/ blighted/foreclosed site in either the Chamizal, Lower Dyer or Segundo Barrio target areas into a new construction multi-family apartment complex

## **National Objective:**

Benefit to Low Income households whose income is at or below 50 percent of area median income;

## **Activity Description:**

### **a. Area of greatest need:**

Home Mortgage Disclosure Act (HMDA) data reflects that 40.97% or more of the loans issued between 2004 and 2006 in Census Tracts 103.13, 103.15, 39.01,39.02, 40.02, 20.00, 21.00, 28.00, 29.00, and 26.00 were high cost loans. Additionally, the predicted eighteen month underlying problem foreclosure rate

for Census Tracts 103.13, 103.15, 39.01, 17.00, and 21.00 is between 5.66 and 7.84. The Predicted eighteen month underlying problem foreclosure rate for Census Tracts 20.00, 28.00, 29.00, 40.02, 39.02, and 26.00 is even greater at a rate of 7.85 or more. This data is evidence that this activity is necessary to address areas that have been identified with the greatest percentage of home foreclosures and with a high percentage of homes financed by a subprime mortgage related loan. In April 2010, HUD and Home Mortgage Disclosure Act (HMDA) data was further evaluated to determine additional areas of greatest need. All of the additional Census Tracts listed below meet three or more of the following criteria:

- 1) The estimated number of foreclosures equals 30 or more.
- 2) The estimated foreclosure rate equals 5.00% or more.
- 3) The number of all loans made between 2004 and 2006 that are high cost as of 2008 equals 50 or more.
- 4) The estimated high-cost loan rate equals 50% or more.
- 5) The estimated risk of foreclosure and abandonment equals 8 or more.

1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02, 23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03, 41.04, 41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07, 103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

**b. Expected benefit to income-qualified persons under Activities:**

This activity will target and benefit families at or below 50% of the AMI.

**Location Description:**

Target Areas of the City include:

Chamizal Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tracts 26.00, 28.00, 29.00) El Paso Empowerment Zone

Lower Dyer Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tract 8.00)

Segundo Barrio Neighborhood Revitalization  
(Census Tracts 17.00, 18.00, 19.00, 20.00, 21.00) El Paso Empowerment Zone

East El Paso  
(Census Tracts 103.13, 103.15)

Ysleta Neighborhood  
(Census Tracts 39.01, 39.02, 40.02)

**Performance Measures:**

**PROPOSED**

**Income Groups**

0- 50%AMI

**Number of Units Financed**

15 rental units for senior housing

**Total Budget: \$1,946,918.00**

**Responsible Organization:**

The City of El Paso's Department of Community and Human Development will be the responsible organization for acquisition and rehabilitation

City of El Paso, Texas

Department of Community and Human Development

PO Box 1890

El Paso, Texas 79901

(915) 541-4643

(915) 541-4370 fax

Bill Lilly, Director of Community and Human Development

[lillywl@elpasotexas.gov](mailto:lillywl@elpasotexas.gov)

The El Paso Collaborative for Community and Economic Development will be the responsible organization for

**Projected Start Date:** August 1, 2013

**Projected End Date:** September 30, 2013

**Specific Activity Requirements:**

For acquisition activities, include:

Multifamily Rental Units-

Developers will be eligible to receive an amortized loan/deferred payment loan combination to redevelop properties. The ratio of amortized loan to deferred payment loan will be dependent on the financial feasibility of the project. The range of interest rates will be 0%-3%.

Rental Activity:

Duration of affordability will comply with HOME program standards at 24 CFR 92.254 and 24 CFR 92.252.

The term for loans to developers will be 30 years.

## **Activity Name: Homeowner Assistance**

**Activity Type:** NSP eligible use – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG eligible activity -

- 24 CFR 570.201(a) Acquisition, (b) Disposition
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
- Acquire and rehabilitate two (2) homes for rental and/or sale.

### **National Objective:**

Benefit to Low, Moderate or Middle Income (LMMH) households whose income is at or below 120 percent of area median income;

### **Activity Description:**

#### **a. Area of greatest need:**

Home Mortgage Disclosure Act (HMDA) data reflects that 40.97% or more of the loans issued between 2004 and 2006 in Census Tracts 103.13, 103.15, 39.01, 39.02, 40.02, 20.00, 21.00, 28.00, 29.00, and 26.00 were high cost loans. Additionally, the predicted eighteen month underlying problem foreclosure rate for Census Tracts 103.13, 103.15, 39.01, 17.00, and 21.00 is between 5.66 and 7.84. The Predicted eighteen month underlying problem foreclosure rate for Census Tracts 20.00, 28.00, 29.00, 40.02, 39.02, and 26.00 is even greater at a rate of 7.85 or more. This data is evidence that this activity is necessary to address areas that have been identified with the greatest percentage of home foreclosures and with a high percentage of homes financed by a subprime mortgage related loan. In April 2010, HUD and Home Mortgage Disclosure Act (HMDA) data was further evaluated to determine additional areas of greatest need. All of the additional Census Tracts listed below meet three or more of the following criteria:

- 1) The estimated number of foreclosures equals 30 or more.
- 2) The estimated foreclosure rate equals 5.00% or more.
- 3) The number of all loans made between 2004 and 2006 that are high cost as of 2008 equals 50 or more.
- 4) The estimated high-cost loan rate equals 50% or more.
  - 5) The estimated risk of foreclosure and abandonment equals 8 or more.

1.01, 1.06, 1.07, 1.12, 2.03, 2.04, 2.06, 3.01, 3.02, 4.03, 6.00, 9.00, 10.01, 10.02, 23.00, 25.00, 30.00, 34.01, 34.03, 35.02, 37.02, 38.03, 40.03, 40.04, 41.03, 41.04, 41.06, 43.03, 43.05, 43.10, 43.11, 43.14, 43.15, 43.16, 102.07, 102.08, 103.07, 103.11, 103.12, 103.16., 104.01, 104.02, 104.03.

**b. Expected benefit to income-qualified persons under Activity:**

These activities propose to acquire, rehabilitate, rent and sell single family homes for homeownership for families at or below 120% AMI. These funds will not target or benefit families at or below 50^ of the AMI.

**Location Description:**

Target Areas of the City include:

Chamizal Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tracts 26.00, 28.00, 29.00) El Paso Empowerment Zone

Lower Dyer Neighborhood Revitalization Strategy Area (NRSA)  
(Census Tract 8.00)

Segundo Barrio Neighborhood Revitalization  
(Census Tracts 17.00, 18.00, 19.00, 20.00, 21.00) El Paso Empowerment Zone

East El Paso  
(Census Tracts 103.13, 103.15)

Ysleta Neighborhood  
(Census Tracts 39.01, 39.02, 40.02)

**Performance Measures:**

**PROPOSED**

**Income Groups**

81 - 120% AMI

**Number of Homeowners Assisted**

TBD based on future Program Income

**Note: Additional activities may be added to these income groups depending on the amount of program income generated.**

**Total Budget:** TBD based on future program income

**Responsible Organization:**

The City of El Paso's Department of Community and Human Development will be the responsible organization for acquisition and rehabilitation

City of El Paso, Texas  
Department of Community and Human Development  
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El Paso, Texas 79901  
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Bill Lilly, Director of Community and Human Development  
[lillywl@elpasotexas.gov](mailto:lillywl@elpasotexas.gov)

**Projected Start Date:** TBD

**Projected End Date:** TBD

**Specific Activity Requirements:**

Homebuyer Down Payment and Closing Cost Assistance,  
Homebuyer Principal Reduction Loan

- a. 570.201 n Homeownership Assistance —  
Down Payment and Closing Cost (DPCC) & Principal  
Reduction Loan (PRL).
- b. National Objective: Benefit to Low, Moderate or Middle  
Income (LMMH) households whose income is at or below 120  
percent of area median income;
- c. Duration or term of assistance;

For individuals at 120% AMI and below, assistance will be available in the form of a principal reduction loan/soft second and/or down payment and closing cost assistance. The main components of the DPCC and PRL are as follows:

- Down Payment and Closing Cost (DPCC) max assistance of \$7,000. DPCC assistance is forgiven after 10 years starting in year 6 with 20% forgiveness and each year thereafter with owner occupancy. Homebuyers who do not fulfill the owner occupancy requirement during the term of the loan will repay the unforgiven balance at the rate of 3% annually.

- Principal Reduction Loan (PRL) max assistance of \$35,000. PRL assistance is amortized over 30 years and/or deferred. Determination of the type of PRL assistance is based on the applicant's housing affordability ratio. The PRL is repayable with interest up to 3% interest computed annually based on income and housing affordability ratio.
- Revitalization Area (RA) Loan max assistance of \$10,000 for households purchasing a home in a City recognized revitalization area. RA assistance is forgiven after 10 years with owner occupancy.
- The range of interest rates is 0%-3%.

Duration or term of Homeowner assistance;

The assistance will be in the form of a discount on the purchase price. The discount amount will be calculated into the total assistance for determination of the affordability period consistent with HUD program standards at 24 CFR 92.254 and 24 CFR 92.252.

Homeownership assistance NSP amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Description of how the design of the activity will ensure continued affordability

HOME requirements will be included in financing instruments.