

# October 1, 2009- December 31, 2009 Performance Report

## Overall Narrative

During the third quarter, has made substantial progress in implementing the Neighborhood Stabilization Program.

The development agreements for the affordable rental housing to serve households at 50% below medium family income have been finalized and executed. Woodbine Community Organization's award was for the acquisition of a 44-unit apartment building in South Nashville. Park Center agreed to acquire and rehabilitate up to 3 scattered site residential properties in targeted census tracts for low income persons with disabilities. Woodbine Community Organization closed on their proposed property during this quarter.

MDHA has identified several properties in target census tracts to purchase for its NSP Homeownership Program. As of the third quarter, one property has been placed under contract. The closing for this property will occur during the third week of the fourth quarter. Three other properties within the same subdivision are currently in contract negotiation. MDHA is currently participating in the First Look Program's offered through Fannie Mae and Bank of America to acquire more properties. The help of REO listing agents who work in targeted areas has also been enlisted. Inventories of foreclosed and abandoned properties in target census tracts continue to be examined on a daily basis.

## Administration Activities

Minor administration costs were incurred relating to NSP Coordinator salary and legal fees for drafting of development agreements.

## Acquisition-Buyout of Residential Properties (Rental)

The finalized development agreements for the 50% set-aside awards to Park Center and Woodbine Community Organization (WCO) have been executed. On October 16, 2009, WCO closed on a 44-unit apartment building in South Nashville. Rehabilitation of the project has started and is expected to be completed by June 2010. All 44 units have been upgraded with new A/C units. Light plumbing rough-in has also begun in 23 of the units. In addition, the roofing is ½ complete on one of the buildings in the complex. Park Center continues to search the inventory of eligible properties in target areas. MDHA is continuing to work with Park Center to help resolve the issues they are having in identifying suitable infill rental housing for their NSP award.

## Acquisition-Buyout of Residential Properties (Resale)

MDHA has explored several options for finding properties for NSP. Conversations with Fannie Mae, Bank of America, and HUD REO Division have proven to be successful avenues in our search. The option of identifying properties in the first 10 days on the market through Fannie Mae's First Look Program has given us the opportunity to bid on

properties without the competition from other investors in the area. Eligible properties are selected by examining factors such as the age of the home, cost per square foot, and proximity to public transportation and services. Currently, one property has been placed under contract with Fannie Mae, and several more have been identified as fitting the criteria of NSP. In addition, MDHA is continuing to discuss opportunities with HUD REO's in target areas. Several of these properties have been inspected and evaluated for possible NSP acquisition.

By the end of the fourth quarter, MDHA's goal is to have at least 15 properties under contract, rehab initiated, and qualified buyers identified.