

Grantee: Minneapolis, MN

Grant: B-08-MN-27-0001

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-27-0001

Obligation Date:

03/20/2009

Grantee Name:

Minneapolis, MN

Award Date:

03/20/2009

Grant Amount:

\$5,601,967.00

Contract End Date:

03/20/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Matt Bower

Disasters:**Declaration Number**

NSP

Plan Description:

A.Areas of Greatest Need Approximately 86% of Minneapolis housing was built prior to 1960. 75% of the housing stock is single family detached structures. 18% of its single family housing stock is non-homesteaded, a 141% increase since 2002. In 2005, Minneapolis had 863 mortgage foreclosure sales. In 2006, 1,610 homes in Minneapolis went to foreclosure sale. In 2007, 2,895 homes went through foreclosure sale; 54.7% were in the three Northside wards of the City. Through the third quarter of 2008, there have been 2,152 foreclosures. Many of these foreclosures are on investment properties that house rentals. In determining communities to receive NSP funding, HUD determined a risk factor assessment by census block group. The risk factor was for whether a census block group had a predictive risk for foreclosed and abandoned housing. The scale was from 0 (very low risk) to 10 (very high risk). City staff took this block group information and layered it onto city neighborhood boundaries. City staff classifies high risk neighborhoods as having a risk factor of 7-10. The incidence of the high risk neighborhoods derived from HUD data sources correlates well with local foreclosure and vacant and boarded listed structure data for similar time periods. The high risk neighborhoods for NSP assistance are detailed in the formal NSP application amendment found at www.ci.minneapolis.mn.us/grants. The dramatic rise in foreclosures mirrors a sharp increase in vacant and boarded structures. According to statistics maintained by the Regulatory Services Department, in 2006, there were 481 structures on the vacant and boarded list. This number rose to 770 structures in 2007 and through August 2008, 928 structures. Looking at the current list of properties that are registered as vacant, of the 928 properties, 87% of the properties have been on the list less than 24 months. There is a direct correlation between this and the current foreclosure crisis that the City is experiencing. Only 10% have been vacant for more than 3 years. Historically (based on past analysis), buildings have remained in the Vacant Building Registration program for an average of 21 months, with some for many years. It remains to be seen if these more recent additions will follow the same pattern.

B.Distribution and Uses of Funds Eligible activities need to be carried out in areas affected by:
The greatest percentage of home foreclosures; The highest percentage of homes financed by a subprime mortgage related loan; and Likely to face a significant rise in the rate of home foreclosures in the next 18 months The City will seek to meet two national benefit objectives through the Neighborhood Stabilization Program. An activity can be of benefit to an area composed of at least 51% of low-, moderate-, and middle-income residents at or below 120% of area median income (LMMA), or it can be of benefit to low-, moderate-, and middle-income residents at or below 120% of area median income (LMMH). All NSP activities must benefit persons at HUD-approved income levels. The neighborhoods rated as high risk on the map titled HUD Estimated Foreclosure and Abandonment Risk Score with Actual Foreclosures and Registered Vacant and Boarded Properties (page 47) will receive prioritized delivery of NSP program offerings. In addition, the State of Minnesota has identified particular ZIP codes within the City that would receive prioritized State of Minnesota NSP funding under the States NSP allocation formula. The City will be making an application in January 2009 for prioritized State NSP funding. The neighborhoods covered by the State ZIP Code formula are located within the formal NSP application amendment at www.ci.minneapolis.mn.us/grants.

Recovery Needs:

C. Definitions and Descriptions

a. Blighted Structure

For purposes of NSP funding and in the context of local law, the City of Minneapolis will use its nuisance definition in Chapter 249, Minneapolis Code of Ordinances, as the standard for a blighted structure. Specifically, a structure is defined as a nuisance in 249.30:

249.30. "Nuisance condition" defined; waiver of waiting period. (a) A building within the city shall be deemed a nuisance condition if:

- (1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months; or
 - (2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days; or
 - (3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building; or
 - (4) Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.
- (b) When it is determined by the director of inspections or the city fire marshal that a building constitutes an immediate hazard to the public health and safety, and after approval by the city council, the sixty-day waiting period set out in this section may be waived and the other procedures, as set out in this chapter, may be implemented immediately.
- (c) Notwithstanding the foregoing provisions, accessory buildings such as garages, barns and other similar structures, not intended to be used for human habitation, shall be deemed to constitute a nuisance condition when such buildings are in violation of section 244.1560 of the housing maintenance code which regulates nondwelling structures or when such accessory buildings are structurally unsound in the opinion of the director of inspections. (76-Or-102, § 1, 7-9-76; 77-Or-226, § 2, 11-10-77; 78-Or-233, § 2, 11-9-78; 79-Or-016, § 1, 1-26-79; 80-Or-181, § 1, 8-8-80; 84-Or-095, § 1, 6-15-84; 86-Or-236, § 1, 10-10-86; 91-Or-157, § 1, 8-9-91; 92-Or-110, § 2, 9-11-92; 93-Or-142, § 1, 10-1-93; 94-Or-123, § 2, 9-16-94; 2006-Or-059, § 1, 5-26-06 effective October 1, 2006).

b. Affordable Rents

For any NSP-funded rental activity, affordable rents are defined as described in 24 CFR §92.252(a), (c), (f). The maximum unit rent level must be the lesser of HUD Fair Market Rent or the amount affordable to a household at 65% of area median income. If the renter is to pay utilities and services than the most recent Minneapolis Public Housing Authority utility allowance schedule for will be used to determine the net rent. These HUD schedules are updated annually and NSP activities will conform to the most recent schedule in effect at time of proct commitment.

c. Affordability

For the purposes of NSP funding, the City is electing to use the continued affordability standards of the HOME program 24 CFR §92.252 (e) and §92.254 as outlined in the table below. These periods apply to rental and ownership activities.

Table 7
NSP Affordability Periods

Per unit amount of NSP funds for New Construction, Rehab or Acquisition of Existing Housing	Minimum Period of Affordability
Under \$15,000	5 Years
\$15,000 - \$40,000	10 Years
Over \$40,000	15 Years
New Construction Rental	20 Years

To ensure that NSP-assisted homeownership properties will remain affordable to low/moderate/middle-income homebuyers, a resale provision will be implemented for certain activities and a recapture provision for others. The resale provision will not allow the resale price of the NSP-assisted property to exceed 95 percent of the area median purchase price or after-rehabilitation price for the type of single family housing in this jurisdiction, as determined by HUD. The recapture provision will require repayment of the assistance in the event of property transfer or default during the affordability period.

The proposed resale restriction meets federal requirements, ensuring the initial purchaser with a fair return on their initial investment plus principal reductions, post sale capital improvements and standard closing costs. The resale or recapture requirements would be spelled out in a declaration, promissory note and mortgage or other instrument filed against the property.

The affordability period levels above will also apply to any rental housing assisted with NSP funds. The affordability will be enforced through loan and/or mortgage documents, and a deed restriction or covenant similar to the HOME program.

d. Housing Rehabilitation Standards

The City of Minneapolis plans to adopt the NSP Rehabilitation Standards identified as Exhibit A in the Appendix for all NSP-assisted rehab projects. The standards are designed to correct health, safety, and building code violations in order to sell or rent.

In addition, rehabilitation standards would include housing maintenance standards, energy efficiency, lead abatement (see below), and ease of maintenance and long term maintenance issues. While the homes would be rehabilitated to be an asset to the neighborhood and to avoid high maintenance costs, some economies would be made to avoid excessive rehab costs. For example, newer roofs, furnaces, water heaters, etc., which function properly and with an expected 7 to 10 year usable life expectancy, would not be replaced. The general rule would be to ensure that the homeowner does not experience major replacement costs for a minimum of the first seven years of ownership, and that the home would be eligible for FHA financing.

Additionally, efforts will be made to encourage the developers to institute green and sustainability techniques in the rehab projects.

HUD Lead Safe Housing Rule, 24 CFR 35 will be followed in NSP-assisted housing activities. The requirements of subparts B through R of 24 CFR 35 implement the Lead-Based Paint Poisoning Prevention Act, as amended, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Most HUD housing programs are covered by only one subpart of this part, but some programs can be used for more than one type of assistance and therefore are covered by more than one subpart of this part. All properties constructed prior to 1978 must be tested for lead-based paint to determine the presence or absence of lead-based paint on deteriorated painted surfaces or surfaces to be disturbed or replaced during construction and shall be performed by a certified lead-based paint inspector or risk assessor. In addition a risk assessment in the dwelling units receiving Federal assistance, in common areas servicing those units, and exterior painted surfaces, shall be performed prior to the start of rehabilitation. The individual or firm conducting the risk assessment shall provide and explain the results of the investigation and options for reducing lead-based paint hazards. The scope of work and method for abatement shall correlate with the per unit rehabilitation dollar amount.

D. Low Income Targeting

The City of Minneapolis will make at least \$1,400,491 (25 percent of the NSP allocation, as required) available for acquisition/rehabilitation/resale or rental serving households at or below 50 percent of area median income. Any NSP funds received from the State of Minnesota will also be required to meet this threshold. This will be accomplished through programming delivered through NSP activity strategies A, B, and E.

In summary though, this income target for affordable housing can be met through a variety of ways and the City will evaluate project proposals for their ability to assist the City in meeting the 25% target. Likely ways that a project could assist the City in providing at least 25% of its NSP funding for housing those at or below 50% of area median income can include:

- Assist a low-income family with purchase/rehab of a property;
- Support through gap financing a non-profit or public agency redevelopment of a vacant and boarded residential property into affordable rental housing;
- Acquire a property for use by a non-profit for permanent supportive housing;
- Link NSP-assisted housing activities to other affordable housing resources such as Section 8 vouchers

E. Acquisitions and Relocations

HUD has waived the one-for-one replacement requirements for the NSP program and instituted alternative disclosure and reporting requirements. Some conversion or demolition of low- and moderate-income dwelling units (80% of area median income) may be expected through this program due to the nature of the housing affected by foreclosures (rehabilitation costs in excess of after market value, poor condition, higher uses for property). However, demolitions undertaken in support of Activity D Demolition of blighted structures will not constitute a lost unit as these are properties that have been vacant for a minimum of six months.

Properties in Activity B Purchase Rehab and Activity C Land Banking may have been recently occupied by a low- or moderate-income household (80% of area median income) or be under an affordability restriction. If that were the case, the City anticipates being able to add more housing units affordable to those at or below 80% of area median income than it would take out of the market through these NSP-assisted activities. Considering a large percentage of these units will be foreclosed properties, the occupancy rate of these units will be minimal.

F. Public Comment

The draft 2008 Consolidated Plan Amendment #1 was made available for public comment on November 10, 2008, for a public comment period of November 10-25, 2008. On November 18, 2008, the Minneapolis City Councils Community Development Committee held a public hearing to receive input on the proposed Amendment #1.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,601,967.00
Total CDBG Program Funds Budgeted	N/A	\$5,601,967.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$840,295.05	\$0.00
Limit on Admin/Planning	\$560,196.70	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

Minneapolis has begun implementing neighborhood stabilization activities as evidenced by the success of the innovative First Look Pilot Program, which commenced acquiring foreclosed properties pre-market and at a reduced

price in November 2008. Under the First Look Program in Minneapolis, 552 properties have come through the National Community Stabilization Trust; 123 offers have been made; and 48 offers have been accepted. Foreclosed properties in targeted areas are being purchased and identified for rehabilitation by our non-profit development community in implementing NSP1.

Financing: \$500,000 is allocated to provide \$10,000 in down payment and closing cost assistance as affordability gap to homeowners in 50 homes that will be rehabilitated with NSP1 funds.

Purchase and Rehabilitation: Nearly \$6.5 million in NSP1 funds (local direct NSP and State NSP Subrecipient) is awarded to 9 community developers as value gap in the rehabilitation of approximately 210 units; 60% homeownership and 40% rental. Contracts are in negotiation. Foreclosed properties are purchased or identified for purchase by developers in targeted neighborhoods. The Twin Cities Community Land Bank is established to provide acquisition and construction loans for NSP properties.

Land Banking: Nearly \$4.3 million in NSP1 funds (local direct NSP and State NSP Subrecipient) is allocated to land banking. The City of Minneapolis acquired 3 properties and identified additional properties in target areas for demolition and land banking. The Twin Cities Community Land Bank is developing policies and procedures to facilitate the acquisition of additional NSP properties beginning September 1, 2009.

Demolition: \$1.7 million is allocated to demolition and vacant properties are identified for demolition in targeted neighborhoods.

Redevelopment: The current NSP strategy prioritizes abandoned and foreclosed homes and residential properties over other properties for redevelopment.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
08NSPAdmin, NSP Program Administration	\$0.00	\$0.00	\$0.00
08NSPDemo, Demolition of Blighted Structures	\$0.00	\$0.00	\$0.00
08NSPFinan, FinancingForeclosure Recovery Affordable	\$0.00	\$0.00	\$0.00
08NSPLandBank, Acquisition and Land Banking	\$0.00	\$0.00	\$0.00
08NSPurchaseRehab, Purchase and Rehab	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number:	G4820NSP ADM
Activity Title:	Program Admin Finance

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

08NSPAdmin

Project Title:

NSP Program Administration

Projected Start Date:

09/29/2008

Projected End Date:

07/31/2013

National Objective:

N/A

Responsible Organization:

City of Minneapolis Finance Department

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$140,000.00
Total CDBG Program Funds Budgeted	N/A	\$140,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Financial processing and monitoring administration activities.

Location Description:

Administration.

Activity Progress Narrative:

Initial administrative activities included setting up procurement systems, initiating appropriation accounts, and developing subrecipient contracts. Supportive to the NSP grant were activities related to applying as a subrecipient to State of Minnesota NSP grant.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Amount

Grantee Activity Number: G4835NSP DEMSF
Activity Title: Demolition of Blighted Structures

Activity Category:
 Clearance and Demolition
Project Number:
 08NSPDemo
Projected Start Date:
 01/30/2009
National Objective:
 NSP Only - LMMI

Activity Status:
 Under Way
Project Title:
 Demolition of Blighted Structures
Projected End Date:
 07/31/2013
Responsible Organization:
 City of Minneapolis Department of Regulatory Services

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,700,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,700,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Demolition of Chapter 249 Vacant Boarded Registration (VBR) properties to support reduction of blighting influences in NSP-assisted neighborhoods. NSP funds will assist in demo of properties that do not meet a viable rehabilitation test.

Location Description:

Chapter 249 properties located in NSP target neighborhoods of North Minneapolis, Northeast Minneapolis, and South Minneapolis.

Activity Progress Narrative:

No activity to report. Contractors have been procured.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/100

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail
No Other Match Funding Sources Found

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

Amount



Grantee Activity Number:	G4841NSP ADM
Activity Title:	Program Admin IGR Grants

Activity Category: Administration	Activity Status: Under Way
Project Number: 08NSPAdmin	Project Title: NSP Program Administration
Projected Start Date: 09/29/2008	Projected End Date: 07/31/2013
National Objective: N/A	Responsible Organization: City of Minneapolis Intergovernmental Relations

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$140,000.00
Total CDBG Program Funds Budgeted	N/A	\$140,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:
Program administration of NSP activities.

Location Description:
Administration.

Activity Progress Narrative:
Initial administrative activities included initiating appropriation accounts, performing environmental assessment, reporting, and developing subrecipient contracts. Supportive to the NSP grant were activities related to applying as a subrecipient to State of Minnesota NSP grant.

Performance Measures
No Performance Measures found.

Activity Locations
No Activity Locations found.

Other Funding Sources Budgeted - Detail
No Other Match Funding Sources Found

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

Amount

Grantee Activity Number: G4890NSP 25PRAH
Activity Title: Purchase & Rehab Alliance Housing <50

Activity Category:
 Rehabilitation/reconstruction of residential structures

Activity Status:
 Under Way

Project Number:
 08NSPurchaseRehab

Project Title:
 Purchase and Rehab

Projected Start Date:
 01/30/2009

Projected End Date:
 07/31/2013

National Objective:
 NSP Only - LH - 25% Set-Aside

Responsible Organization:
 Alliance Housing

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$325,000.00
Total CDBG Program Funds Budgeted	N/A	\$325,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Development value gap financing to non-profit developers to cover the difference between the cost of purchase and rehab of a foreclosed and/or abandoned property and the sale price. The property will be sold to an income-qualified owner-occupant or rented to an income-qualified tenant. Purchase and rehab foreclosed and abandoned multi-unit structures (no more than an 8-plex) and rent them to households with income at or below 50% AMI.

Location Description:

Developer has identified three eligible projects in North Minneapolis located in NSP target area as described in http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

Contracts are in negotiation. Foreclosed properties are purchased or identified for purchase by developers in targeted neighborhoods. The Twin Cities Community Land Bank is established to provide acquisition and construction loans for NSP properties.

Performance Measures

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of Properties	0	0	0	0/0	0/0	0/13
# of housing units	0	0	0	0/0	0/0	0/13
# of Households benefitting	0	0	0	0/13	0/0	0/13

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:	G4890NSP 25PRPPL
Activity Title:	Purchase & Rehab PPL <50

Activity Category:
 Rehabilitation/reconstruction of residential structures

Project Number:
 08NSPurchaseRehab

Projected Start Date:
 01/30/2009

National Objective:
 NSP Only - LH - 25% Set-Aside

Activity Status:
 Under Way

Project Title:
 Purchase and Rehab

Projected End Date:
 07/31/2009

Responsible Organization:
 Project for Pride in Living

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,064,800.00
Total CDBG Program Funds Budgeted	N/A	\$1,064,800.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP funds to provide development value gap financing to non-profit developers to cover the difference between the cost of purchase and rehab of a foreclosed and/or abandoned property and the sale price. The property will be sold to an income qualified owner-occupant or rented to an income-qualified tenant.

Purchase and rehab foreclosed and abandoned multi-unit structures (no more than an 8-plex) and rent them to households with income at or below 50% AMI.

Location Description:

NSP target neighborhoods as described in http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf
 Primary focus will be Phillips and North Minneapolis

Activity Progress Narrative:

Contracts are in negotiation. Foreclosed properties are purchased or identified for purchase by developers in targeted neighborhoods. The Twin Cities Community Land Bank is established to provide acquisition and construction loans for NSP properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/42
# of housing units	0	0	0	0/0	0/0	0/42
# of Households benefitting	0	0	0	0/42	0/0	0/42

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:	G4890NSP 25PRPRG
Activity Title:	Purchase & Rehab Powderhorn Residents Group <50

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
08NSPurchaseRehab

Project Title:
Purchase and Rehab

Projected Start Date:
01/30/2009

Projected End Date:
07/31/2013

National Objective:
NSP Only - LH - 25% Set-Aside

Responsible Organization:
Powderhorn Residence Group

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$25,000.00
Total CDBG Program Funds Budgeted	N/A	\$25,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP funds to provide development value gap financing to non-profit developers to cover the difference between the cost of purchase and rehab of a foreclosed and/or abandoned property and the sale price. The property will be sold to an income qualified owner-occupant or rented to an income-qualified tenant.

Location Description:

NSP target neighborhood focus of Jordan and Harrison as described in http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

Contracts are in negotiation. Foreclosed properties are purchased or identified for purchase by developers in targeted neighborhoods. The Twin Cities Community Land Bank is established to provide acquisition and construction loans for NSP properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/1
# of housing units	0	0	0	0/0	0/0	0/1
# of Households benefitting	0	0	0	0/1	0/0	0/1

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail
No Other Match Funding Sources Found

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

Grantee Activity Number:	G4890NSP ADM
Activity Title:	Program Admin CPED

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

08NSPAdmin

Project Title:

NSP Program Administration

Projected Start Date:

09/29/2008

Projected End Date:

07/31/2013

National Objective:

N/A

Responsible Organization:

City of Minneapolis Community Planning and Economic

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$140,000.00
Total CDBG Program Funds Budgeted	N/A	\$140,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Administration and monitoring of NSP activities.

Location Description:

Administration.

Activity Progress Narrative:

Initial administrative activities included issuing an RFP for subrecipient selection, developing subrecipient contracts, design of program, property identification, and negotiation with funding partners. Supportive to the NSP grant were activities related to applying as a subrecipient to State of Minnesota NSP grant.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Amount

Grantee Activity Number: G4890NSP FIN
Activity Title: Financing <120

Activity Category: Homeownership Assistance to low- and moderate-income
Activity Status: Under Way
Project Number: 08NSPFinan
Project Title: FinancingForeclosure Recovery Affordable Homeownership
Projected Start Date: 01/30/2009
Projected End Date: 07/31/2013
National Objective: NSP Only - LMMI
Responsible Organization: City of Minneapolis Community Planning and Economic

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$500,000.00
Total CDBG Program Funds Budgeted	N/A	\$500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

CPED will make down payment and closing cost assistance available to meet the affordability gap in homeownership opportunities for homebuyers, which may include buyers at the HUD required 50% of area median income.

Location Description:

NSP target neighborhoods as described in
http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

No activity to report.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/50
# of Households benefitting	0	0	0	0/0	0/50	0/50

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:	G4890NSP LBNK ACQ
Activity Title:	Landbank Acquisition

Activity Category: Land Banking - Acquisition (NSP Only)	Activity Status: Under Way
Project Number: 08NSPLandBank	Project Title: Acquisition and Land Banking
Projected Start Date: 03/01/2009	Projected End Date: 07/31/2013
National Objective: NSP Only - LMMI	Responsible Organization: City of Minneapolis Community Planning and Economic

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,517,167.00
Total CDBG Program Funds Budgeted	N/A	\$1,517,167.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

City of Minneapolis, acting through its department of Community Planning and Economic Development, will strategically acquire homes that have been foreclosed upon and demolish blighted structures with NSP funds. The City will purchase only foreclosed properties that are vacant and exhibit blight. It is the City's expectation to hold these vacant parcels (land bank) for an unspecified time period, not to exceed 10 years, until the market is ready to absorb new development of owner-occupied housing units. As required, the City will adhere to all acquisition, holding and disposition stipulations specified in the NSP notice.

- Specifically the City's Land Bank Program will purchase and demolish those properties that:
- are vacant and blighted to a degree justifying demolition;
 - are located in the City-defined NSP high risk service area; and
 - are available for purchase at least 5% and on average 15% below the current market appraised value.

Location Description:

NSP target areas as described in http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

The City of Minneapolis acquired 3 properties and identified additional properties in target areas for demolition and land banking. The Twin Cities Community Land Bank is developing policies and procedures to facilitate the acquisition of additional NSP properties beginning September 1, 2009.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	3	0/0	0/0	3/75
# of housing units	0	0	0	0/0	0/0	0/75

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number:	G4890NSP LBNK DIS
Activity Title:	Acquisition and Land Bank Disposition

Activity Category:
Land Banking - Disposition (NSP Only)

Activity Status:
Under Way

Project Number:
08NSPLandBank

Project Title:
Acquisition and Land Banking

Projected Start Date:
01/30/2009

Projected End Date:
07/31/2013

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Minneapolis Community Planning and Economic

Overall	Apr 1 thru Jun 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Strategic acquisition of homes that have been foreclosed upon and demolish blighted structures for holding. Properties will be held for maximum of 10 years until the market is ready to reabsorb new development of owner-occupied units. Disposition of properties

- will be offered to both non-profit and for-profit entities;
- for uses that benefit households with incomes at or below 120% AMI;
- will, at a minimum, follow all NSP periods of affordability; and
- if sold for redevelopment of housing occupied by households with incomes at or below 50% AMI within the four-year NSP period, any write-down of NSP funds used for acquisition would be credited to the City's 25% requirement.

When the market improves, the City will seek the development of single family owners-occupied housing. However, where density is encouraged, the City will support development of multi-unit housing, in which case rental may be preferred.

Location Description:

NSP Target neighborhoods as described in
http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

No property dispositions in quarter.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/20
# of housing units	0	0	0	0/0	0/0	0/20

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:	G4890NSP PRPRG
Activity Title:	Purchase & Rehab PRG <120

Activity Category:
 Rehabilitation/reconstruction of residential structures

Project Number:
 08NSPpurchaseRehab

Projected Start Date:
 01/30/2009

National Objective:
 NSP Only - LMMI

Activity Status:
 Under Way

Project Title:
 Purchase and Rehab

Projected End Date:
 07/31/2013

Responsible Organization:
 Powderhorn Residence Group

	Apr 1 thru Jun 30, 2009	To Date
Overall		
Total Projected Budget from All Sources	N/A	\$50,000.00
Total CDBG Program Funds Budgeted	N/A	\$50,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP funds to provide development value gap financing to non-profit developers to cover the difference between the cost of purchase and rehab of a foreclosed and/or abandoned property and the sale price. The property will be sold to an income qualified owner-occupant or rented to an income-qualified tenant.

Location Description:

NSP target neighborhood focus of Jordan and Harrison as further described in http://www.ci.minneapolis.mn.us/cped/docs/NSP_Purchase_Rehab_Activity_Funding_Recommendation_Summary.pdf

Activity Progress Narrative:

Contracts are in negotiation. Foreclosed properties are purchased or identified for purchase by developers in targeted neighborhoods. The Twin Cities Community Land Bank is established to provide acquisition and construction loans for NSP properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2
# of Households benefitting	0	0	0	0/0	0/2	0/2

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
