

Grantee: Minneapolis, MN

Grant: B-08-MN-27-0001

January 1, 2019 thru March 31, 2019 Performance

Grant Number: B-08-MN-27-0001	Obligation Date: 03/20/2009	Award Date: 03/20/2009
Grantee Name: Minneapolis, MN	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$5,601,967.00	Grant Status: Active	QPR Contact: Kevin James Knase
LOCCS Authorized Amount: \$5,601,967.00	Estimated PI/RL Funds: \$404,062.50	
Total Budget: \$6,006,029.50		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

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 (LMMH), 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" 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 State's NSP allocation

Areas of Greatest Need:

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.

Distribution and and Uses of Funds:



Definitions and Descriptions:

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 rece

Definitions and Descriptions:

nt scht 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

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,940,256.89
Total Budget	\$0.00	\$5,916,256.89
Total Obligated	\$0.00	\$5,853,356.62
Total Funds Drawdown	\$0.00	\$5,853,356.62
Program Funds Drawdown	\$0.00	\$5,483,146.30
Program Income Drawdown	\$0.00	\$370,210.32
Program Income Received	\$0.00	\$462,355.71
Total Funds Expended	\$258,290.09	\$6,111,646.71
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		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	\$488,659.01
Limit on Admin	\$0.00	\$488,659.01
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,501,507.38	\$1,826,699.81

Overall Progress Narrative:

Staff is working to reconcile our NSP1/2/3 grants and plans on closing out our NSP3 grant in the near future. Once complete, our next focus will be reconciling all items in this NSP1 grant to move toward closeout. We have items listed as under way in the Action Plan that we are leaving as is until our reconciliation is complete and we update the Action Plan to reflect our activities closer to closeout.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
08NSP Redevelopment, Redevelopment	\$0.00	\$150,000.00	\$150,000.00
08NSPAdmin, NSP Program Administration	\$0.00	\$516,719.87	\$468,679.30
08NSPDemo, Demolition of Blighted Structures	\$0.00	\$2,206,680.87	\$2,093,070.77
08NSPFinan, FinancingForeclosure Recovery Affordable	\$0.00	\$110,000.00	\$110,000.00
08NSPLandBank, Acquisition and Land Banking	\$0.00	\$1,161,156.34	\$962,596.23
08NSPurchaseRehab, Purchase and Rehab	\$0.00	\$1,771,699.81	\$1,698,800.00
DELETED-ACTIVITIES, DELETED-ACTIVITIES (Temporary)	\$0.00	\$0.00	\$0.00

Activities

Project # / 08NSPAdmin / NSP Program Administration

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

Activity Category:

Administration

Project Number:

08NSPAdmin

Projected Start Date:

09/29/2008

Benefit Type:

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National Objective:

N/A

Activity Status:

Under Way

Project Title:

NSP Program Administration

Projected End Date:

12/31/2019

Completed Activity Actual End Date:

Responsible Organization:

City of Minneapolis Community Planning and

Overall	Jan 1 thru Mar 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$442,719.87
Total Budget	\$0.00	\$442,719.87
Total Obligated	\$0.00	\$414,659.01
Total Funds Drawdown	\$0.00	\$414,659.01
Program Funds Drawdown	\$0.00	\$394,679.30
Program Income Drawdown	\$0.00	\$19,979.71
Program Income Received	\$0.00	\$196,421.25
Total Funds Expended	\$5,703.75	\$420,362.76
City of Minneapolis Community Planning and	\$5,703.75	\$420,362.76
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Administration and monitoring of NSP activities.

Location Description:

Administration.

Activity Progress Narrative:

Charges against admin time for staff costs of preparing for closeout and administering the program.



Accomplishments Performance Measures

No Accomplishments Performance Measures

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

Project # / 08NSPLandBank / Acquisition and Land Banking

Grantee Activity Number: G4890NSP LBNK ACQ

Activity Title: Landbank Acquisition

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

08NSPLandBank

Projected Start Date:

03/01/2009

Benefit Type:

Area ()

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition and Land Banking

Projected End Date:

12/31/2019

Completed Activity Actual End Date:

Responsible Organization:

City of Minneapolis Community Planning and

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2019

To Date

N/A

\$1,161,156.34

Total Budget

\$0.00

\$1,161,156.34

Total Obligated

\$0.00

\$1,148,816.93

Total Funds Drawdown

\$0.00

\$1,148,816.93

Program Funds Drawdown

\$0.00

\$962,596.23

Program Income Drawdown

\$0.00

\$186,220.70

Program Income Received

\$0.00

\$137,383.46

Total Funds Expended

\$252,586.34

\$1,401,403.27



City of Minneapolis Community Planning and	\$252,586.34	\$1,401,403.27
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$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 moved 5 additional properties into the NSP 1 Land Banking activity that were previously in it's Minnesota Housing NSP1 grant. These are marketed for redevelopment of housing.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	51/75

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

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	

