

Action Plan

Grantee: Hennepin County, MN

Grant: B-08-UN-27-0003

LOCCS Authorized Amount:	\$ 3,885,729.00
Grant Award Amount:	\$ 3,885,729.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 2,172,695.02
Total Budget:	\$ 6,058,424.02

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

Hennepin County, located within the Minneapolis-St. Paul-Bloomington, MN-WI MSA, is the largest unit of local government in the State of Minnesota. There are 46 municipalities within the County, with an estimated population of over 1.1 million people. Approximately one-third of the County's population lives in Minneapolis with the remaining two-thirds residing in suburban Hennepin County. The County encompasses 611 square miles. According to the U.S. Census Bureau, there were an estimated 495,993 housing units in Hennepin County in 2006; approximately 36 percent of housing units are in multi-unit structures (2000 Census data). Both in-court and out-of-court foreclosure proceedings are used in Minnesota; with both types of foreclosure proceedings, the borrower can stop the foreclosure any time before the foreclosure sale by paying the default amount, plus fees and allowable costs. The timeline for a Minnesota foreclosure is approximately four months, not including the redemption period (a borrower usually has a six-month redemption period, but some property types and mortgages allow for a 12-month redemption period). Consistent with national trends, Hennepin County has been significantly impacted by high rates of mortgage foreclosure. The number of mortgage foreclosure sales in Hennepin County (including suburban Hennepin County and the City of Minneapolis) increased from 920 in 2002 to 5,563 in 2007. A 34 percent foreclosure rate increase is forecast for 2008, when the number of foreclosure sales is expected to exceed 7,000 (there have been 5,603 mortgage foreclosure sales from January 1, 2008 through September 30, 2008). Source: Hennepin County Sheriff's Office (includes city of Minneapolis)Foreclosures in Hennepin County initially hit some cities/neighborhoods particularly hard: North Minneapolis, Brooklyn Park, Brooklyn Center, Robbinsdale and Crystal. Most experts agree that Hennepin County will continue to experience high rates of foreclosure and resulting problems for several years to come, spreading across additional cities as different categories of risky mortgages come under stress. Early in 2007, the Hennepin County Board of Commissioners recognized the increasing impact of mortgage foreclosures in Hennepin County. The County Board responded in the short term by providing foreclosure prevention counseling funds. In order to facilitate a broader, multifaceted response to the mortgage foreclosure crisis, the County Board also established a Hennepin County Foreclosure Task Force, which included representatives of the following departments: County Attorney; Sheriff's Office; Office of Budget and Finance; Taxpayer Services; Housing, Community Works and Transit; Human Services and Public Health; County Administration; and County Assessor. The Foreclosure Task Force completed an initial report which is available at www.hennepin.us/neighborhoodstabilizationprogram. The Foreclosure Task Force continues to meet and report quarterly to the County Board. The U.S. Department of Housing and Urban Development (HUD) has provided data from four sources (listed below) that are used to predict whether or not a Census Tract Block Group ("CTBG" or "neighborhood") has a high or low risk for foreclosed and abandoned homes ("Estimated Foreclosure Abandonment Risk Score"): Office of Federal Housing Enterprise Oversight (OFHEO) data on decline in home values as of June 2008 compared to peak home value since 2000 at the Metropolitan/Micropolitan/Non-Metropolitan level. Federal Reserve Home Mortgage Disclosure Act (HMDA) data on percent of all loans made between 2004 and 2006 that are high cost at the Census Tract Level. Labor Department data on unemployment rates in places and counties as of June 2008. USPS data on residential addresses identified as being vacant



for 90 days or longer as of June 2008 at the Census Tract level.

Distribution and and Uses of Funds:

Hennepin County, as the lead agency of the Urban Hennepin County Community Development Block Grant (CDBG) Program, has received an allocation of \$3,885,729 from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP). This program is to assist in the redevelopment of abandoned and foreclosed homes, and was authorized by the Housing and Economic Recovery Act of 2008 (HERA), signed July 31, 2008. The Urban Hennepin County CDBG Program consists of Hennepin County and 40 suburban cities, which have all executed Joint Cooperation Agreements enabling the County to secure and administer CDBG Program funding. In allocating NSP funds, HUD requires recipients to target those areas of greatest need, based on: The number and percentage of home foreclosures; The number and percentage of homes financed by a subprime mortgage related loan; and The number and percentage of homes in default or delinquency. Using data compiled by HUD and local data on the number of mortgage foreclosure sales from January 1, 2007 through September 30, 2008, staff has identified 12 suburban cities with the greatest concentrations of NSP target areas: Tier One (highest need) Brooklyn Center and Brooklyn Park. Tier Two; Champlin, Hopkins, Crystal, Maple Grove, New Hope, Mound, Richfield, Osseo, Robbinsdale and St. Louis Park. Together these 12 cities represent approximately 67 percent (3,824 out of 5,723) of mortgage foreclosure sales in suburban Hennepin County from January 1, 2007 through September 30, 2008. Hennepin County has formulated an NSP strategy based on discussions with the County Board throughout the year regarding housing foreclosure and related issues and dialogue with suburban cities, the city of Minneapolis, Minnesota Housing, the Family Housing Fund and other organizations actively involved in housing and foreclosure issues.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Financing Mechanisms -- NSP	NSP2008 - 01 thru 04 NSP2008 - 01 to 04	Financing Mech - Homebuyer Assistance-50% HH Financing Mechanisms -NSP Homebuyer Assistance
2	Purchase & Rehab -- NSP	NSP2008 - 11 thru 13 NSP2008-11 to 13	NSP Acquisition and Rehabilitation -- 50% HH B. Acquisition Rehabilitation
4	NSP Administration	NSP2008-29	NSP Administration
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / 1 / Financing Mechanisms -- NSP Homebuyer Assistance

Grantee Activity Number: NSP2008 - 01 thru 04
Activity Title: Financing Mech - Homebuyer Assistance- 50% HH

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

1

Projected Start Date:

03/20/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

Financing Mechanisms -- NSP Homebuyer

Projected End Date:

10/01/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 263,351.01

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 263,351.01

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
9	9		100.00
9	9		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

of Housing Units

Total

9

9



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Hennepin County

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Hennepin County	Unknown	\$ 255,806.00

Location Description:

HUD Target Areas in Brooklyn Center, Brookly Park, New Hope and Crystal

Activity Description:

A. Establish financing Mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties. We have created two programs to help want to be homeowners to purchase:

- NSP Homebuyer Assistance Program; and
- NSP Homebuyer Rehabilitation Assistance Program.

This part of the funding will be used if we are able to serve households at or below 50% of AMI

We increased this budget and households benefiting over the course of this activity to reflect the number and amount of funds we were able to use for 50% Households. Overall we have assisted less households than we anticipated because the average household assistance was much higher than we originally anticipated.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: NSP2008 - 01 to 04
Activity Title: Financing Mechanisms -NSP Homebuyer Assistance

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

1

Projected Start Date:

03/20/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

Financing Mechanisms -- NSP Homebuyer

Projected End Date:

10/01/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 541,513.30

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 541,513.30

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
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23

23

100.00

of Households

23

23

100.00

Proposed Accomplishments

of Singlefamily Units

Total

23

of Housing Units

23

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Hennepin County

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Hennepin County

Organization Type

Unknown

Proposed Budget

\$ 541,513.30



Location Description:

The HUD Target areas in Brooklyn Center, Brooklyn Park, New Hope and Crystal

Activity Description:

A. Establish financing Mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties. We have created two programs to help want to be homeowners to purchase:

- NSP Homebuyer Assistance Program; and
- NSP Homebuyer Rehabilitation Assistance Program.

We decreased this budget and households benefiting over the course of this activity to reflect the number and amount of funds we were able to use for Households under 120% AMI during the time we had the project open. We had to close the program and move the remaining budget to Acq/Rehab to ensure that funds would get obligated by the deadline. Overall we have assisted less households than we anticipated because the average household assistance was much higher than we originally anticipated.

Environmental Assessment: EXEMPT

Environmental None

Project # / 2 / Purchase & Rehab -- NSP Acquisition and Rehabilitation

Grantee Activity Number: NSP2008 - 11 thru 13
Activity Title: NSP Acquisition and Rehabilitation -- 50% HH

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
2

Projected Start Date:
03/20/2009

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:
Under Way

Project Title:
Purchase & Rehab -- NSP Acquisition and

Projected End Date:
04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,436,146.37
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 1,436,146.37

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	10	10		100.00
# of Households	10	10		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	10
# of Housing Units	10
# ELI Households (0-30% AMI)	

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Hennepin County

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Hennepin County

Organization Type

Unknown

Proposed Budget

\$ 1,431,381.34

Location Description:

NSP HUD target areas in Brooklyn Center, Brooklyn Park and Crystal

Activity Description:

B. Purchase and Rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.

We increased the number of households benefiting to reflect the movement of funds to this activity.

Environmental Assessment: UNDERWAY

Environmental None



Grantee Activity Number: NSP2008-11 to 13
Activity Title: B. Acquisition Rehabilitation

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

2

Projected Start Date:

03/20/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

Purchase & Rehab -- NSP Acquisition and

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 3,492,494.20

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 3,492,494.20

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
27		27	100.00
27		27	100.00

of Households

Proposed Accomplishments

of Singlefamily Units

of Housing Units

Total

27

27

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Hennepin County

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Hennepin County

Organization Type

Unknown

Proposed Budget

\$ 3,492,494.20

Location Description:



NSP Target Areas in Brooklyn Center, Brooklyn Park, Crystal

Activity Description:

B. Purchase and Rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.

Environmental Assessment: UNDERWAY

Environmental None

Project # / 4 / NSP Administration

Grantee Activity Number: NSP2008-29
Activity Title: NSP Administration

Activity Type:

Administration

Project Number:

4

Projected Start Date:

03/20/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Activity Status:

Under Way

Project Title:

NSP Administration

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 324,919.14

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 324,919.14

Benefit Report Type:

NA



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Hennepin County

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Hennepin County

Organization Type

Unknown

Proposed Budget

\$ 324,919.14

Location Description:

HUD Target Areas

Activity Description:

This is Program Administration for the implementation of the NSP Program Funds.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

Reviewer - 2.8.10 discussed CP process with County and they understand it must be followed.

Reviewer - changes made to homebuyer activities moving 37,542 into the 50% activity and out of the 120% activity.

Reviewer - Plan rejected so Tonja can explain that CP on not doing land banking will occur. In addition, she needs to increase the number of units for rehabilitation based on those units moving from land banking to rehab. Finally, cost of rehab and homebuyer assistance has been higher than anticipated so some activities will serve fewer people. cdb 7.29.10

Reviewer - cdb 7.29.10

Reviewer - 9.22.10 - minor budget changes due to one activity needed more funds and another having a homeowner not able to close on a house. cdb

Reviewer - JS: 12/28/11
This Action Plan has relatively minor budget adjustments. Most of these were articulated in the grantee's most recently submitted QPR.



- Reviewer - 6/28/12--- minor budget adjustments to reflect reality of expenditures for activities. Other Program income changes and draws will be made after this amendment to catch DRGR up to the County's accounts.

- Reviewer - 7/24/12 -- unintended resubmission due to entry of program income receipts and accidental budget impact. Will clarify everything in upcoming QPR.

- Reviewer - 9/19/12- additional program income receipts and budget revisions. No new activities or any substantial changes.

- Reviewer - No new information from 5/14/13 amendment. Grantee didn't make any changes, but accidentally hit a button the showed plan as modified. Reviewer comments didn't save for 5/14/13. That amendment added PI and increased proposed households to both Acq/Rehab activities. No substantial changes.

- Reviewer - 2/12/14 -- proposed units adjusted to match actual units for both homebuyer activities

- Reviewer - 7/30/14 only change was increase in admin budget. Still ok with Cap.

- Reviewer - no changes. accidentally reopened before QPR submission

- Reviewer - Noted addition of \$38880 to Acq Rehab 120%, but overall budget of all activities is \$197,168 less than grant amount + PI.

- Reviewer - \$236,047 added to 120% Acq Rehab budget. Total grant and PI is now budgeted to activities.

- Reviewer - 1/21/15 - \$121K moved from admin to 120% Acq/Rehab

- Reviewer - no change from 1/20/2015

- Reviewer - Grantee requested their Action Plan be sent back to modify.

- Reviewer - Grantee deleted two activities relating to acquisition and demo as they were not using and no dollars were allocated to the activities.

- Reviewer - Did not complete a comprehensive review of action plan in order for grantee to submit QPR. Action plan amendment was completed by grantee as they work towards close out. Grantee decreased the obligation amount so the budget matches their reconciliation and the draws.

Action Plan History

Version	Date
B-08-UN-27-0003 AP#1	05/03/2010
B-08-UN-27-0003 AP#2	02/07/2011
B-08-UN-27-0003 AP#3	12/28/2011
B-08-UN-27-0003 AP#4	01/31/2012
B-08-UN-27-0003 AP#5	06/28/2012
B-08-UN-27-0003 AP#6	07/24/2012
B-08-UN-27-0003 AP#7	09/19/2012
B-08-UN-27-0003 AP#8	05/14/2013
B-08-UN-27-0003 AP#9	05/22/2013



B-08-UN-27-0003 AP#10	02/12/2014
B-08-UN-27-0003 AP#11	07/30/2014
B-08-UN-27-0003 AP#12	10/31/2014
B-08-UN-27-0003 AP#13	11/10/2014
B-08-UN-27-0003 AP#14	01/21/2015
B-08-UN-27-0003 AP#15	04/10/2015
B-08-UN-27-0003 AP#16	10/04/2016
B-08-UN-27-0003 AP#17	08/07/2018
B-08-UN-27-0003 AP#18	10/31/2019

