

# Action Plan

**Grantee:** Memphis, TN

**Grant:** B-11-MN-47-0003

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<b>LOCCS Authorized Amount:</b>	\$ 5,195,848.00
<b>Grant Award Amount:</b>	\$ 5,195,848.00
<b>Status:</b>	Reviewed and Approved

**Estimated PI/RL Funds:**

<b>Total Budget:</b>	\$ 5,195,848.00
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## Funding Sources

**No Funding Sources Found**

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The City of Memphis Division of Housing and Community Development (HCD) has conducted an analysis to determine the areas of the City that meet the Neighborhood Stabilization Program (NSP) 3 requirements.

Demolition - Strategically selected properties in targeted communities. The selected communities are Vance Avenue Neighborhood, Soulsville USA/The Works, Orange Mound, Frayser, Glenview, and Binghampton for the amount of \$1,558,754.00

Redevelopment - Demolition of a 28-unit blighted and vacant apartment building, construction of 18 units of affordable rental townhomes targeted toward low and moderate income individuals or families for the amount of \$2,659,000.00

Rehabilitation - HCD will partner with a non-profit developer, the Riverview Kansas Community Development Corporation. Riverview Kansas was selected through a competitive process to serve as developer for an NSP1 rental project, the Barronbrook Apartments. NSP1 funds are being used to renovate an apartment community that was acquired with NSP1 funds. NSP3 funds will be used toward the rehabilitation of 98 units which will provide for additional measures that wouldn't have been possible with the NSP 1 funds alone. The specific component that NSP3 funds will support is the removal and replacement of the existing roof system for the amount of \$718,302.00

Administration - Administration cost to administer the NSP3 program and ensure compliance with regulations will be five percent (5%) of the total allocated, \$259,792.00

### How Fund Use Addresses Market Conditions:

The activities proposed for NSP3 funding will address the local housing market conditions as identified in the Consolidated Plan for FY2011-2013 and with other local data as follows:

#### Rental Housing:

Findings from the Housing Market Analysis demonstrate that Memphis has a substantial need for additional assistance to households that suffer from a lack of decent and affordable housing. This analysis, in conjunction with other findings in the housing study, show that the immediate focus in the area of housing should be on providing quality rental housing. The analysis used to estimate housing needs is moderately conservative yet suggests that the City of Memphis currently (2010) has the need for an estimated 40,937 affordable rental units and 28,569 owner-occupied housing units. This total of 69,506 housing units is projected to increase to 72,783 by the end of the 2011 - 2013 planning period. The NSP3 funded rental housing activities will help to address these needs by increasing the number of affordable rental units.

#### Demolition:

All of the neighborhoods selected as targets for the NSP3 program are affected by a high number of blighted properties. The Memphis Fire Department, Division of Community Enhancement/Code Enforcement, City Attorney's office, HCD, and Community Development Corporations have identified many blighted properties that, if demolished would positively impact the potential for redevelopment in these neighborhoods. The removal of these structures will not only eliminate significant sources of blight and threats to health and safety, but will



also provide for the revitalization in these area by removing the barrier to attract investment.

### **Ensuring Continued Affordability:**

The Division of Housing and Community Development (HCD) will ensure continued affordability for rental housing by following the HOME program affordability requirements described below.

#### **1. Continued Affordability in Rental Housing**

Rental Housing receiving NSP assistance will adhere to the affordability requirements established under §92.252 of the HOME Final Rule. The NSP3-assisted rental units must meet the affordability requirements specified in Table VIII below, beginning after project completion. Pursuant to 24 CFR §92.504(c) (3) (vii) this provision shall be enforced by restrictive covenant running with the land, which shall set forth these restrictions, and shall be recorded in the county where the property is located. If the housing units do not meet affordability requirements for the specified time period, repayment of all HOME funds will be required. HCD may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure, or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner, or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

##### **NSP3 Affordability Period for Rental Housing**

Rental Housing Activity: Rehabilitation or acquisition of existing housing with a per unit amount of NSP3 funds under \$15,000

Minimum Period of Affordability: 5 years

Rental Housing Activity: Rehabilitation or acquisition of existing housing with a per unit amount of NSP3 between \$15,000 to \$40,000 per unit

Minimum Period of Affordability: 10 years

Rental Housing Activity: Rehabilitation or acquisition of existing housing with a per unit amount of NSP3 funds that are more than \$40,000 or involves

refinancing

Minimum Period of Affordability: 15 years

Rental Housing Activity: New construction or acquisition of newly constructed housing for rental

Minimum Period of Affordability: 20 years

### **Definition of Blighted Structure:**

For NSP3 purposes, HCD will adopt the definition found in state law within the Tennessee Code Annotated at 13-21-104, which defines blighted structure as: "A structure that is unfit for human occupation or use, where conditions exist that are dangerous or injurious to the health, safety, or morals of the occupants of such structure, or the occupants of neighboring structures or other residents. Such conditions may include the following (without limiting the generality of the foregoing): defects therein increasing the hazards of fire, accident, or other calamities; lack of adequate ventilation, light, or sanitary facilities; dilapidation; disrepair; structural defects; or uncleanness."

### **Definition of Affordable Rents:**

For NSP3 purposes, "affordable rents" are defined as a rent that does not exceed 30 percent of the adjusted income of a family whose annual income does not exceed 120% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in a unit.

### **Housing Rehabilitation/New Construction Standards:**

Housing property standards found at §92.254(a)(5) of the HOME Final Rule will apply to housing rehabilitation projects receiving NSP3 assistance. Housing rehabilitated with NSP3 funds will meet the housing quality standards in 24 CFR 982.401 and all applicable local codes. HCD's written rehabilitation standards ensure that housing receiving federal assistance is decent, safe, and sanitary; and meets all applicable ordinances and zoning requirements at the time of project completion. Wherever feasible, rehabilitation activities will include improvements to increase the energy efficiency and conservation of NSP3 units.

### **Vicinity Hiring:**

The City will work with the Renaissance Business Center and other Economic Development departments to reach out to small businesses in the "vicinity" of the targeted areas to acquire services needed for the implementation of the program. The City will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. The City will work closely with these businesses to reach out to the local workforce as their need for additional employees arises. Possible outreach techniques include advertisements in newspapers and flyers. The City of Memphis has a local hiring preference ordinance as well as language in City contracts that contractors will agree, to the greatest extent feasible and where applicable, to provide opportunities for training and employment of lower income persons residing with the City of Memphis and to award contracts for any work in connection with this agreement to eligible business concerns which are located in, or owned in substantial part by persons residing in the City of Memphis.

### **Procedures for Preferences for Affordable Rental Dev.:**

The City will create preferences for the development of affordable rental housing by conferring with partners to determine an appropriate area of need and properties for rental housing.

Procedures that were used to create the rental housing preference are based on the recognition that rental housing under responsible ownership can be equally effective in terms of stabilizing the neighborhood targeted for rental housing. Quality, affordable rental housing is perhaps the biggest housing need in the City of Memphis according to the Housing Market Study undertaken as part of the Consolidated Plan. Many renters have been displaced or threatened with eviction as a result of the foreclosure crisis in Memphis and consequently, a decision

was made to direct NSP 3 funds to address this issue.

#### Grantee Contact Information:

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701 North Main Street, Memphis, TN 38107

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Demolition	1	Blight Removal
2	Re-Development	<i>No activities in this project</i>	
3	Rahabilitation	3	Rehab - Barronbrook Apts
4	Administration	4	General Administration
9999	Restricted Balance	<i>No activities in this project</i>	

## Activities



**Grantee Activity Number:** 3  
**Activity Title:** Rehab - Barronbrook Apts

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

3

**Projected Start Date:**

07/01/2011

**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.

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Under Way

**Project Title:**

Rahabilitation

**Projected End Date:**

06/30/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 3,377,302.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 3,377,302.00

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	80	30	50	100.00
# of Households	80	30	50	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Multifamily Units	80
# of Housing Units	80
#Replaced hot water heaters	80
#Additional Attic/Roof Insulation	1
# of Properties	80

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Division of HCD

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Division of HCD	Unknown	\$ 718,302.00

**Location Description:**

Orange Mound

**Activity Description:**

HCD will partner with a non-profit developer to renovate an apartment community acquired with NSP1 funds.

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**Grantee Activity Number:** 1  
**Activity Title:** Blight Removal

**Activity Type:**

Clearance and Demolition

**Project Number:**

1

**Projected Start Date:**

07/01/2011

**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

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Area Benefit (Census)

**Activity Status:**

Planned

**Project Title:**

Demolition

**Projected End Date:**

06/30/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,558,754.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 1,558,754.00

**Proposed Accomplishments**

# of Properties

**Total**

15

**Activity is being carried out by Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

Division of HCD

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Division of HCD

**Organization Type**

Unknown

**Proposed**

\$ 1,558,754.00

**Location Description:**

Vance Avenue Neighborhood, Soulsville USA/The Works, Orange Mound, Frayser, Glenview, and Binghampton

**Activity Description:**

This activity addresses the need for removal of blighted structures in order to meet local housing codes and stabilize neighborhoods that have been impacted by disinvestment, vacancy, foreclosures, and blight. Removal of these structures may be the most cost-effective way to stabilize some neighborhoods and protect the value of nearby housing and other revitalization efforts



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<b>Grantee Activity Number:</b>	<b>4</b>
<b>Activity Title:</b>	<b>General Administration</b>

**Activity Type:**

Administration

**Activity Status:**

Planned

**Project Number:**

4

**Project Title:**

Administration

**Projected Start Date:**

07/01/2011

**Projected End Date:**

06/30/2014

**Project Draw Block by HUD:**

Not Blocked

**Project Draw Block Date by HUD:****Activity Draw Block by HUD:**

Not Blocked

**Activity Draw Block Date by HUD:****Block Drawdown By Grantee:**

Not Blocked

**Total Budget:** \$ 259,792.00**National Objective:**

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

**Other Funds Total:** \$ 0.00**Total Funds Amount:** \$ 259,792.00**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

NA

**Activity is being carried out by Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

Division of HCD

**Proposed budgets for organizations carrying out Activity:****Responsible Organization**

Division of HCD

**Organization Type**

Unknown

**Proposed**

\$ 259,792.00

**Location Description:**

701 North Main

**Activity Description:**

Administration cost to administrator the NSP3 program and ensure compliance with regulations will be five percent of the total allocated amount.

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## Action Plan Comments:

Reviewer - Grantee has identified approved activities.

Reviewer - Action Plan was approved so grantee could submit its QPR by today's deadline. John will review Action Plan for completeness. EH

Reviewer - Action Plan is accpetable..

## Action Plan History

### Version

### Date

B-11-MN-47-0003 AP#1

01/30/2013

B-11-MN-47-0003 AP#2

10/27/2011

B-11-MN-47-0003 AP#3

09/25/2013

