

Grantee: State of Alabama

Grant: B-08-DN-01-0001

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-DN-01-0001

Obligation Date:**Grantee Name:**

State of Alabama

Award Date:**Grant Amount:**

\$37,033,031.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

The NSP Substantial Amendment for the State of Alabama in its entirety, relative HUD and ADECA correspondence, and program materials may be viewed at: <http://www.adeca.alabama.gov/C2/NSP/default.aspx>

AREAS OF GREATEST NEED ADECA utilized HUD-supplied data and developed a methodology to determine the areas of greatest need within the state. The analysis ADECA conducted may be viewed on pages 3-4 of the Substantial Amendment at the above-referenced website. Independent of the results of the State's analysis, HUD's approval of the Substantial Amendment limited NSP grants to only "priority" communities. Therefore, the State will award NSP grants on a competitive basis among applicants whose project areas are located within the following "priority" communities: Bessemer, Birmingham, Huntsville, Jefferson County, City of Mobile, Mobile County, and City of Montgomery.

METHOD OF DISTRIBUTION The State program utilized a method of distribution which incorporated eligible applicants, grant ceilings, competitive project reviews, and state objectives to ensure NSP activities will be cost-effective, will have measurable impact and will be implemented in a timely manner. The competitive reviews involved qualitative and quantitative assessment to determine the extent to which the activity would assist areas of greatest need, applicant's capacity and readiness, and grant impact and cost-effectiveness. Criteria utilized in the reviews and additional details on the method of distribution may be viewed on pages 6-11 of the Substantial Amendment at the above-referenced website.

NSP ELIGIBLE USES/CDBG ELIGIBLE ACTIVITIES The State anticipates most of its NSP funds will be used for Eligible Use "A", to establish financing mechanisms for purchase and re-development of foreclosed upon homes; and Eligible Use "B", to purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent such homes and properties. Corresponding CDBG eligible activities for Eligible Use "A" are activity delivery costs and financing of an NSP eligible activity, to carry out that activity. Corresponding CDBG eligible activities for Eligible Use "B" are acquisition, disposition, direct homeownership assistance, eligible rehabilitation and preservation activities for homes and other residential properties and housing counseling for those seeking to take part in the activity. Other eligible uses and activities may be viewed on pages 23-25 of the Substantial Amendment at the above-referenced website.

PROJECT DATES AND DURATION OF ASSISTANCE HUD's NSP agreement with the State is dated March 11, 2009; therefore, all funds must be obligated by September 10, 2010, and expended by March 10, 2013. All activities will be carried out by sub-recipients within this timeframe.

LOCATIONS NSP activities will be carried out in the following areas: City of Bessemer, City of Huntsville, City of Montgomery, Jefferson County and Mobile County (including all incorporated cities located in the counties).

RESPONSIBLE ORGANIZATIONS ADECA will administer NSP funds for the State of Alabama. Sub-recipients identified to date are Jefferson and Mobile Counties, the Cities of Bessemer, Birmingham, Huntsville, Mobile, and Montgomery, as well as the Huntsville Housing Authority, Aletheia House, Habitat for Humanity, and Mission Birmingham.

Recovery Needs:

ACTIVITY DESCRIPTIONS

The State's priorities are acquisition and rehabilitation of residential properties, and necessary financing costs. Financing mechanisms may include soft-second or down-payment assistance. Rehabilitation activities shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety,

quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The State will encourage rehabilitation which includes improvements to increase the energy efficiency or conservation of such homes and properties.

Project development and activity delivery costs may include analysis and identification of suitable foreclosed units, negotiating among several mortgage lenders, examining bulk purchase and discount options, providing pre-purchase inspections, marketing/outreach efforts, compiling a list of potential homeowners/renters, studying green options, appraisals, environmental determinations, inspections, work write-ups, lead compliance, legal, closing costs, and homeowner counseling.

Enforcement requirements will be passed down to sub-recipients to ensure to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120% AMI or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii), remain affordable to individuals and families whose incomes do not exceed 50% AMI.

BUDGET

The State's NSP allocation is \$37,033,031. No less than 25% of this award (\$9,258,258) will be expended to purchase and redevelop abandoned or foreclosed upon homes or residential properties that will house individuals or families whose incomes do not exceed 50% AMI. Up to 10% of the award may be used for general administration activities.

PERFORMANCE MEASURES

Performance measures will include the number of housing units assisted and the number of low-income (no more than 50% AMI) and moderate-income (51-80% AMI) households benefiting. The total number of households (which will include middle-income households 81-120% AMI) benefiting will be reported as well. The type of housing assistance and household income level will be reported by activity type, i.e. acquisition, rehabilitation, or financing mechanism. Street addresses will be entered for all single family housing activities. Further, the State will continue to follow HUD's prevailing reporting requirements and report on any subsequent performance measures as may be required.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$36,851,651.00
Total CDBG Program Funds Budgeted	N/A	\$36,851,651.00
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	\$5,554,954.65	\$0.00
Limit on Admin/Planning	\$3,703,303.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

On April 28, 2009, the State of Alabama issued NSP1 grant agreements to 11 grantees. Seven of these grantees are entitlement units of government (City of Bessemer, City of Birmingham, City of Huntsville, City of Mobile, City of Montgomery, Jefferson County, Mobile County) and four are non-profit organizations (Alabama Association of Habitat for Humanity Affiliates, Aletheia House, Huntsville Housing Authority, Mission Birmingham). The State Substantial Amendment process resulted in the determination of 7 priority areas and these grantees will be conducting NSP1 activities in those areas: Jefferson County, Mobile County, and the cities of Bessemer, Birmingham, Huntsville, Mobile, and Montgomery.

On May 15, 2009, the State conducted a Compliance Workshop attended by 45 persons representing all 11 grantees. Staff members reviewed start-up requirements and grant compliance areas including national objective, environmental review, fair housing and equal opportunity, acquisition and relocation, rehabilitation, lead-based paint, procurement, and financial management as well as performance measures and reporting.

Also, on May 15, 2009, the State completed its Tiered Environmental Review Record for the 4 non-profit grantees. On May 18, 2009, the Notice of Intent to Request Release of Funds was published in 4 major newspapers in the State of Alabama and on the agency website (in English and Spanish). Four comments were received during the public comment period. On May 28, 2009, the State submitted its Request for Release of Funds to the HUD Birmingham Field Office and on June 15, 2009, HUD approved the request.

During the period of June 15-30, 2009, the State conducted site specific environmental reviews on 63 single-family residential properties proposed for acquisition by 2 non-profit grantees, Aletheia House and Habitat. These properties are located within Mobile County and the cities of Birmingham and Huntsville. The State has released funds for 45 of the properties. Three properties were sold shortly before the environmental reviews were completed and two properties have been submitted to the Alabama Historical Commission for concurrence. Even though these properties are only slightly over 50 years old, they are in good condition, located in stable, well-established neighborhoods, and appear to be worth pursuing. Unfortunately, the Historical Commission has 30 days to concur on the projects, so there is a strong possibility these properties may no longer be on the market when concurrence is received.

As of June 30, 2009, the 11 NSP grantees are completing the required start-up documentation. Two of the seven entitlement grantees, the City of Birmingham and Jefferson County, have submitted their Request for Release of Funds. The State anticipates start-up requirements including release of funds will be completed for all grantees during the next reporting period.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1ACQ, Alabama NSP Acquisition	\$20,368,167.00	\$0.00	\$20,368,167.00	\$0.00
2RHB, Alabama NSP Rehabilitation	\$12,961,561.00	\$0.00	\$12,961,561.00	\$0.00
3ADM, Alabama NSP Administration	\$3,703,303.00	\$0.00	\$3,703,303.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00