

Grantee: Charlotte, NC

Grant: B-08-MN-37-0001

April 1, 2009 thru June 30, 2009 Performance Report



Grant Number:

B-08-MN-37-0001

Obligation Date:**Award Date:****Grantee Name:**

Charlotte, NC

Contract End Date:

03/18/2013

Review by HUD:

Reviewed and Approved

Grant Amount:

\$5,431,777.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

Estimated PI/RL Funds:

\$6,182.00

Total Budget:

\$5,437,959.00

Disasters:**Declaration Number**

No Disasters Found

Narratives**Areas of Greatest Need:**

The City of Charlotte has determined the areas of greatest need for the NSP program using several data sets based on Census tract block groups. Data regarding the number and percent of subprime loans is available for Zip Codes and specifically addressed below. Methodology: The City of Charlotte has used five data sets to determine the distribution of need. The first two are provided in data found at HUD's website link- HUD User Data. 1. The first data set is described as the "Estimated Foreclosure/Abandonment Risk Scores." These scores were used by HUD to determine national funding and provide a 1 to 10 rating scale (1 having the least risk and 10 having the most risk) on risk of foreclosure or abandonment. Using the City's Geographic Information System (GIS) the areas with a risk score of 8 to 10 were identified. 2. The second set of data is also taken from the HUD data set and is described as "Predicted 18 month Underlying Problem Foreclosure Rate." Using GIS the City was divided into three categories by estimated foreclosure rate: less than 3%, from 3% to 6% and greater than 6%. The areas identified as greater than 6% are part of the area with the greatest need. 3. The City has been able to use "Foreclosures Filed" data from the Mecklenburg County Courts to also help identify areas of greatest need. The data is current as runs for an 18 month period from April of 2007 to September of 2008. The City estimates that one half of foreclosures filed will end up being owned by the mortgagor. 4. HUD data was also used to delineate low-moderate and middle income areas. This data confirms the overall area of possible activity but is significantly larger than the area of greatest need. 5. The fifth set of data used to determine need and program viability is actual properties owned by mortgagors, (Real Estate Owned or REO properties). The City obtained data from RealtyTrac, a national foreclosure tracking company. This data is used to confirm our choices for targeted redevelopment areas. The City has combined the greatest need designations from a combination of 3 different data sources to determine the "Area of Greatest Need" in Charlotte. The three data sets are: 1) Estimated Foreclosure/Abandonment Risk Scores, 2) Predicted 18 month Underlying Problem Foreclosure Rate and 3) Foreclosures Filed. The City has been working in eight Neighborhood Action Plan areas for several years. Each of these areas is located within the area identified as the NSP Area of Greatest Need. Data regarding the concentration of subprime loans was provided by the Federal Reserve and was available by Zip Codes. Those areas that have 11% or more subprime loans compared to all single family loans constitutes the area of greatest concentrations of subprime loans.

Distribution and and Uses of Funds:

All of the City's NSP activities will take place within the area identified in section A. Areas of Greatest Need. The Areas of Greatest Needs were designated using data which described those areas with the highest percentage of home foreclosures, the highest percentage of subprime mortgage related loans (using HUD data as the primary indicator) and areas likely to face a significant rise in the rate of home foreclosures. The City's strategy is to 1) engage the private sector to promote home purchase and rehabilitation in the areas of greatest need and 2) target specific neighborhoods within the area of greatest need experiencing high foreclosures as part of a comprehensive redevelopment strategy. City efforts are geared primarily toward creating new home ownership opportunities to help stabilize neighborhoods, but some rental opportunities will be provided through the program. The proposed program activities, a Down Payment Assistance and Rehabilitation program and targeted Neighborhood Redevelopment program, are described below. 1. Down Payment Assistance / Rehabilitation program. The City currently administers a down payment assistance program (HouseCharlotte) using local and federal funding sources. Last year the City assisted over 500 families in becoming homeowners. A similar program, limited to the area of greatest need as described in Section A, is proposed for NSP funds. This program would provide forgivable loans that extinguish after ten years. For households with incomes between 81% and 120% of the area median income, up to \$7,500 would be provided for down payment assistance and up to \$10,000 would be available for code related repairs and minor rehabilitation. For households with less than 80% of the area median income up to \$10,000 would be provided for down payment assistance and up to \$10,000 would be available for code related repairs and minor rehabilitation. The Peachtree Hills foreclosure initiative has shown that many foreclosed properties will not be marketable without some repair. The Down Payment / Rehabilitation program would be primarily driven by the private real estate market just as the present HouseCharlotte program is driven. An estimated 50 homebuyers will receive down payment assistance. All recipients of down payment



assistance will be required to complete a homebuyer education course provided by a HUD-certified housing counseling agency. 2. Neighborhood Revitalization Areas The City has identified 11 neighborhoods as possible candidates for comprehensive neighborhood revitalization activities. These neighborhoods include concentrations of foreclosed housing. The City is already engaged in a comprehensive redevelopment program in 8 of the 11 neighborhoods and will develop comprehensive strategies for the four remaining neighborhoods. The neighborhoods targeted for under this program are: Barrington* Druid Hills Grier Heights* Lakewood Lincoln Heights Peachtree Hills /Grass Meadows Reid Park Thomasboro/Hoskins Windy Ridge/Todd Park* Wingate Washington Heights * - New Redevelopment Neighborhoods Activities Anticipated activities in Revitalization Neighborhoods include property acquisition, demolition, housing rehabilitation, new construction, neighborhood infrastructure investments and down payment assistance. These activities may be performed by the City directly or by non-profits under contract with the City. The City has experience with several non-profits that have performed well in sim

Distribution and and Uses of Funds:

ilar programs and are well suited to implement the NSP along with the accompanying federal requirements. Non–profits include, but are not limited to, the Charlotte-Mecklenburg Housing Partnership; Self Help CDC, Habitat for Humanity and the Charlotte Housing Authority. The City will seek to leverage resources from these organizations. We estimate that up to 60 units will be acquired and rehabilitated in Neighborhood Redevelopment areas. In addition to the physical development, the City will also establish neighborhood preservation goals and neighborhood preservation teams. Other services to be provided to these neighborhoods include; community safety, code enforcement, foreclosure prevention/financial literacy counseling, neighborhood organization capacity building, employment and youth services.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,430,724.86
Total Budget	\$0.00	\$5,430,724.86
Total Obligated	\$0.00	\$5,431,777.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$814,766.55	\$0.00
Limit on Admin/Planning	\$543,177.70	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,357,944.25	\$2,202,215.06

Overall Progress Narrative:

The City of Charlotte obligated \$1,013,200.00 to Habitat for Humanity of Charlotte, Inc. on April 1, 2009. The City also obligated \$336,400 to The Charlotte-Mecklenburg Housing Partnership on June 15, 2009. We are continuing to pursue a loan loss agreement with Self Help (CCSH). The Charlotte Housing Authority (CHA) has identified a property for acquisition with its \$800,000 NSP funds. The project will be taken for City Council approval on September 14, 2009.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
BCKT, Bucket Project	\$0.00	\$5,431,777.00	\$0.00

