

Grantee: Chicago, IL

Grant: B-08-MN-17-0002

April 1, 2020 thru June 30, 2020 Performance Report

Grant Number: B-08-MN-17-0002	Obligation Date:	Award Date:
Grantee Name: Chicago, IL	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$55,238,017.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$55,238,017.00	Estimated PI/RL Funds: \$9,220,388.69	
Total Budget: \$64,458,405.69		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

These 25 community areas identified as NSP areas of greatest need are listed below.

These community areas were identified pursuant to Section 2301(c)(2) of the Housing and Economic Recovery Act of 2008 (HERA). These areas of greatest need are those community areas: (1) with the greatest percentage of home foreclosures; (2) with the highest percentage of homes financed by subprime mortgage related loans; and (3) identified as likely to face a significant rise in the rate of home foreclosures.

Auburn Gresham
Austin
Burnside
Chatham
Chicago Lawn
East Garfield Park
Englewood
Fuller Park
Grand Boulevard
Greater Grand Crossing
Humboldt Park
New City
North Lawndale
Oakland
Pullman
Riverdale
Roseland
South Chicago
South Deering
South Shore
Washington Park
West Englewood
West Garfield Park
West Pullman
Woodlawn

The City of Chicago analyzed all 77 community areas using data obtained from various organizations, including the local non-profit Woodstock Institute, the Chicago Association of Realtors, and the Illinois Department of Employment Security. Data from local, county and state records informed the process. The data points we compared were: (1) foreclosures completed to become Real Estate Owned properties (REOs) per 1,000 mortgageable properties in the area, (2) percent of loans in each area that are high cost, and (3) risk factors for rising foreclosure rates, including current price compared to 8-year maximum and unemployment rates.

The 25 community areas identified as areas of greatest need are those which fall into the top quartile of either REOs per 1,000 mortgageable properties or percent of subprime loans or those which fall into the top quartile of both the drop in price and unemployment rate. (Attached is a listing of the top quartile for each of the four data points.) We placed a greater emphasis on the REO and subprime data points because these are the best quantitative indicators of where the problem of vacant, foreclosed properties is currently having the most significant impact.



Distribution and and Uses of Funds:

The City of Chicago intends to designate one subgrantee that will administer its NSP grant. Responsibilities of this subgrantee will include: negotiating with banks for the discounted purchase of vacant foreclosed properties, holding and maintaining properties, and working with a broad network of community development partners to dispose of properties. The City of Chicago has had discussions with Mercy Housing, Inc. about it serving in this capacity, and the subgrantee is expected to be a newly-created non-profit organization that will be sponsored by Mercy Housing, Inc. Going forward in this document, this entity will be referred to as the "Subgrantee."

The City of Chicago, through its Subgrantee, will identify qualified community partners (which will be referred to in this document as "Participating Entities") who have capacity to undertake the rehabilitation of acquired homes using a rolling application process. The City of Chicago and its Subgrantee will develop a set of objective criteria that all Participating Entities must meet, and the Participating Entities' participation in the initiative will be commensurate with their experience in rehabilitating and redeveloping residential property.

Criteria for selecting Participating Entities will include previous residential development experience and the ability to leverage NSP funds to obtain private permanent financing. Entities with both single-family and multifamily development experience, as the City anticipates the Subgrantee will acquire single-family homes as well as 2-6 unit buildings. Developers with experience in both residential rehabilitation and new construction will be considered.

The City of Chicago, in conjunction with its Subgrantee, will identify "targeted zones" within the areas of greatest need identified in Part A. The City of Chicago will distribute funds among these targeted zones in the four areas of greatest need based on several factors.

One factor influencing the distribution of funds will be the concentration of vacant REO properties and the Subgrantee's ability to negotiate discounted purchase prices to acquire a group of properties in a targeted zone. As a point of reference, the total value of residential properties that entered lending institutions' REO portfolios in 2007 alone was \$1.2 billion. Thus, to make a measurable impact with our limited NSP funds, our efforts must be concentrated in targeted zones. Redeveloping one house on a block with ten vacant homes is unlikely to make a significant improvement in that neighborhood, but redeveloping a majority of those homes can make a difference. For this reason, we will focus our efforts in blocks where there is significant volume and where we can acquire a majority of the vacant properties.

Other criteria that will affect the decision of distributing funds among targeted zones include recent public and private investment in the surrounding area and the presence of community partners currently engaged in neighborhood stabilization initiatives.

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	\$64,458,405.69
Total Budget	\$0.00	\$64,458,405.69
Total Obligated	\$0.00	\$64,458,405.69
Total Funds Drawdown	\$0.00	\$64,384,806.40
Program Funds Drawdown	\$0.00	\$55,189,403.21
Program Income Drawdown	\$0.00	\$9,195,403.19
Program Income Received	\$0.00	\$9,220,388.69
Total Funds Expended	\$0.00	\$64,368,136.11
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	\$8,285,702.55	\$0.00
Limit on Admin/Planning	\$5,523,801.70	\$6,444,593.87
Limit on Admin	\$0.00	\$6,444,593.87
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$16,114,601.42	\$18,272,251.15

Overall Progress Narrative:

No expenditures or draws in the 2nd quarter. Grant balance still remaining of \$48,613.79.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
FIN MECHANISM (USE A), Use A/LSDD	\$0.00	\$5,651,900.39	\$4,504,783.31
NSP ACQ & REHAB (USE B), Acquisition and Rehabilitation	\$0.00	\$47,551,754.21	\$40,498,478.53
NSP ACQ LB (USE C), Acquisition for Land Bank	\$0.00	\$272,624.25	\$271,217.58
NSP ADMIN, Planning and Administration	\$0.00	\$6,444,593.87	\$6,023,116.61
NSP DEMOLITION (USE D), Demolition	\$0.00	\$2,191,968.00	\$2,127,688.81
NSP REDEV (USE E), Redevelopment	\$0.00	\$2,345,564.97	\$1,764,118.37



Activities

Project # / NSP ACQ & REHAB (USE B) / Acquisition and Rehabilitation

Grantee Activity Number: ACQ & REHAB REO/ABAND LMMI

Activity Title: Use B, 1-4 units 120% AMI

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP ACQ & REHAB (USE B)

Projected Start Date:

01/01/2009

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

03/27/2013

Completed Activity Actual End Date:

Responsible Organization:

Mercy Portfolio Services

Overall	Apr 1 thru Jun 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$21,097,464.41
Total Budget	\$0.00	\$21,097,464.41
Total Obligated	\$0.00	\$21,097,464.41
Total Funds Drawdown	\$0.00	\$21,023,865.12
Program Funds Drawdown	\$0.00	\$17,569,247.17
Program Income Drawdown	\$0.00	\$3,454,617.95
Program Income Received	\$0.00	\$4,619,373.37
Total Funds Expended	\$0.00	\$21,010,218.35
Mercy Portfolio Services	\$0.00	\$21,010,218.35
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquisition and rehab of properties that will benefit households earning 51-120 percent of the area median income.

Location Description:

All properties will be located in the areas of greatest need.

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	54/93

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	72/193
# of Singlefamily Units	0	72/193

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	13/0	30/0	52/193	82.69
# Owner Households	0	0	0	13/0	30/0	52/193	82.69

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	

Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	0	2
Monitoring Visits	0	1
Audit Visits	0	0
Technical Assistance Visits	0	1
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	2