Grantee: Grand Rapids, MI

Grant: B-08-MN-26-0006

April 1, 2010 thru June 30, 2010 Performance Report

Grant Number: B-08-MN-26-0006	Obligation Date: 03/24/2009			
Grantee Name: Grand Rapids, MI	Award Date: 03/19/2009			
Grant Amount: \$6,187,686.00	Contract End Date: 06/30/2013			
Grant Status: Active	Review by HUD: Reviewed and Approved			
QPR Contact: Erin J. Banchoff				
Disasters:				
Declaration Number NSP				
Narratives				
Areas of Greatest Need: The City of Grand Rapids has determined the areas of greatest need for recovery funds, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures. Greatest need was determined by by considering 1) risk of abandonment, 2) high cost subprime loans, and 3) predicted 18-month floreclosure rate. The abandonment risk score of the targeted areas is 10, where 10 indicates the area is in the highest 10% of risk nationwide for foreclosure and abadonment based on the combination of HUD's foreclosure risk estimate and vacancy rate; and has a high cost loan rate of 41% or higher; and has a predicted 18-month forecloser rate over 9.1%. The targeted areas are those most impacted and in greatest need of revitalization. In addition, these areas have been historically targeted with investment to improve the neighborhoods, which have not only seen a high rate of foreclosure, but mostly are of an aged housing stock. High unemployment, older housing, and a concentration of low-income persons in the target have exacerbated the need of assistance since the housing crisis.				
Distribution and and Uses of Funds:				
Through the NSP, the City of Grand Rapids will assist in preserving neigencouraging additional public and private investment. The City's approach and so that the properties of the conomy after that increase housing after the private sources. The distribution of NSP funds will consincide with HER and are represented in Section A. Neighborhood and community stake final selection of specific properties suitable for use of NSP funds: 1) The revitalization efforts; 2) property acquisition will maximize neighborhood leveraged. It is anticipated that 50 units will be reconstructed, and 40 we properties may be utilized in cases where demolition is strategic and the All workmanship must meet or exceed indisutry standards, meet all appendiciency and water conservation improvements to assist with future affective that the conservation improvements to assist with future affectives.	ach considers the "triple bottom line" in stabilizing our neighborhoods and social equity will be addressed through redevelopment of fordability, employment opportunities, and investment from public and tA's requirement that funds be distributed to the areas of greatest need holder input will be used along with the following factors to determine he areas has received significant federal or private investment for impact; and/or other public or private investments funds may be rill will use homebuyer assistance. Deconstruction/demolition of 8 ere is a plan to redevelop the property.			
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	\$6,187,686.00
Total CDBG Program Funds Budgeted	N/A	\$6,187,686.00
Program Funds Drawdown	\$1,149,520.55	\$2,894,655.02
Obligated CDBG DR Funds	\$108,815.00	\$5,072,224.00
Expended CDBG DR Funds	\$1,149,520.55	\$2,894,655.02
Match Contributed	\$0.00	\$0.00
Program Income Received	\$239,903.00	\$239,903.00
Program Income Drawdown	\$230,330.00	\$230,330.00

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	\$928,152.90	\$0.00
Limit on Admin/Planning	\$618,768.60	\$371,756.56
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	larget	Actual
NSP Only - LH - 25% Set-Aside	\$1,546,921.50	\$1,905,305.00

Overall Progress Narrative:

As of June 30, 2010, \$1,115,462, or 18% of the initial grant award, remained to be committed to specific projects. There were 44 properties with Development Agreements to rehabilitate foreclosed or abandoned properties with sale to low-moderate-middle income (LMMI) households. To date, 82% of the funds required to meet the 25% set-aside for households with income at or below 50% of area median income (AMI) have been obligated. There is a plan in place to commit remaining funds prior to the 18-month commitment deadline of September 1, 2010. Nine (9) homes were sold during the quarter, for a total of 14 homes sold to date. No demolition activity has occurred; a portion of these funds will be reprogrammed for other activities.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NSP Admin, NSP Administration	\$40,097.59	\$618,768.00	\$371,756.56
NSP G1, Acquisition/Construction	\$608,454.10	\$3,328,078.00	\$1,709,220.65
NSP G2, Homebuyer Assistance	\$115,779.00	\$613,918.00	\$137,079.00
NSP G3, Demolition/Deconstruction	\$0.00	\$80,000.00	\$0.00
NSP G4, 25%-50AMI	\$385,189.86	\$1,546,922.00	\$676,598.81

Activities

Grantee Activity Number: Adm-001

Activity Title: NSP Administration

Activity Category: Activity Status:

Administration Under Way

Project Number: Project Title:

NSP Admin NSP Administration

Projected Start Date: Projected End Date:

03/15/2009 03/31/2013

Benefit Type: Completed Activity Actual End Date:

N/A

National Objective: Responsible Organization:

NSP Only - LMMI City of Grand Rapids Community Development Department

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$618,768.00
Total CDBG Program Funds Budgeted	N/A	\$618,768.00
Program Funds Drawdown	\$40,097.59	\$371,756.56
Obligated CDBG DR Funds	\$0.00	\$618,768.00
Expended CDBG DR Funds	\$40,097.59	\$371,756.56
City of Grand Rapids Community Development Department	\$40,097.59	\$371,756.56
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Administration of Neighborhood Stabilization Program Grant.

Location Description:

N/A - Admininstration Activity

Activity Progress Narrative:

Administration of the program continues, involving oversight of ten (10) development partners performing the acquisition and rehabilitation of foreclosed/abandoned properties. Processes are fully developed, and have required only minor adjustment. Monitoring site visits have been conducted to review project files held by developers for compliance with NSP regulations and City standards.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: G1-001

Activity Title: Acquisition / Construction

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP G1

Projected Start Date:

03/20/2009

Benefit Type:

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Construction

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

The City of Grand Rapids Community Development

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$3,526,534.00
Total CDBG Program Funds Budgeted	N/A	\$3,526,534.00
Program Funds Drawdown	\$608,454.10	\$1,709,220.65
Obligated CDBG DR Funds	\$99,904.00	\$3,024,525.00
Expended CDBG DR Funds	\$608,454.10	\$1,709,220.65
The City of Grand Rapids Community Development	\$608,454.10	\$1,709,220.65
Match Contributed	\$0.00	\$0.00
Program Income Received	\$239,903.00	\$239,903.00
Program Income Drawdown	\$230,330.00	\$230,330.00

Activity Description:

This activity will allow the acquisition and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop. Properties to be acquired will be selected by the City in consultation with developers and other interested parties, such as neighborhood associations. Foreclosed properties will be acquired by the City or by a developer with NSP funds from various entities holding property title such as HUD, and local and national financial institutions. Developers will be responsible for preparing work specifications for review and approval by the City and contracting with properly licensed contractors in accordance with City prescribed procedures. The developer will be responsible for completing rehabilitation of the property, marketing of the property, and identifying qualified households to occupy NSP-assisted units. NSP-assisted properties must comply with applicable building codes, lead-based paint and asbestos abatement requirements; City housing code, and rehabilitation and energy standards.

Location Description:

Specific addresses will vary depending on criteria as described in Section B of this amendment, Distribution and Uses of Funds. Specific addresses must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Vol. 73, No. 194.

Activity Progress Narrative:

There are ten (10) developers with Development Agreements for the acquisition and rehabilitation of 30 properties that are intended for occupancy by households with income between 50% and 120% of area median income (AMI). During the period of this report, rehabilitation was completed on eight (8) properties; five (5) homes were sold. Following is a summary of the projects that are under contract:

Bender Facility Maintenance

>996 Eton St SW - Rehabilitation completed and property sold (previously reported)

>465 Adams St SE

>1070 Kalamazoo Ave SE

>642 Dickinson St SE

>119 National Ave SW

Double Otis, Inc.

- >920 Oxford St SW
- >1323 Underwood Ave SE
- >1105 Worden St SE

Habitat for Humanity of Kent County

- >239 Corinne St SW
- >133 Corinne St SW Rehabilitation completed and property sold

ICCF Nonprofit Housing Corporation

- >134 Kirtland St SW Rehabilitation completed and property sold
- >136 Kirtland St SW Rehabilitation completed and property sold
- >1063 Ardmore St SE
- >1826 Collins Ave SE
- >1117 Prince St SE
- >1120 Thomas St SE

Lee Kitson, Builder, Inc.

>145 Ann St NE - Rehabilitation completed and property sold

- >857 Nagold St NW
- >119 Burr Oak St NE

Lighthouse Communities, Inc.

- >751 Griggs St SE Rehabilitation completed and property sold (previously reported)
- >1453 Giddings Ave SE
- >1910 Thelma St SE

Mohawk Construction Group

- >1147 Alto Ave SE
- >1035 Alto Ave SE
- >1217 Elliott St SE

New Development Corporation

>1240 Morgan St NW - Rehabilitation completed and property sold

Next Step of West Michigan

- >1106 Watkins St SE Rehabilitation completed and property sold (previously reported)
- >1315 Lake Michigan Dr NW

?

- >The Redstone Group, Inc.
- >1145 Adams St SE
- >1513 North Ave NE

Note: Properties located at 721 Griggs Street SW and 1727 Giddings Avenue SE were previously reported under this activity; however, they have been moved to activity G4-001 (LH &ndash 25% Set-Aside).

Accomplishments Performance Measures

This Report Period Cumulative Actual Total / Expected

Total Total

of Housing Units 5 10/35

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
1240 Morgan St NW	Grand Rapids	NA	49504
133 Corinne St SW	Grand Rapids	NA	49507
136 Kirtland St SW	Grand Rapids	NA	49507
145 Ann St NE	Grand Rapids	NA	49505
134 Kirtland St SW	Grand Rapids	NA	49507

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: G2-001

Activity Title: Homebuyer Assistance

Activitiy Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP G2

Projected Start Date:

03/20/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Homebuyer Assistance

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Grand Rapids Community Development Department

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$137,079.00
Total CDBG Program Funds Budgeted	N/A	\$137,079.00
Program Funds Drawdown	\$115,779.00	\$137,079.00
Obligated CDBG DR Funds	(\$458,838.00)	\$155,080.00
Expended CDBG DR Funds	\$115,779.00	\$137,079.00
City of Grand Rapids Community Development Department	\$115,779.00	\$137,079.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Homebuyer assistance for the NSP program will be administered much like the existing Homebuyer Assistance Fund Program (HAF) to provide down payment and reasonable closing costs incurred in the purchase of property in NSP target areas. However, for NSP properties, an amount up to 20% of the home purchase price will be available to each eligible household: and there will be no restriction of being a first-time homebuyer. Program subsidies will be provided as five-year, zero-interest forgivable loans which are secured by a promissory note and mortgage subordinate to those of the primary lenders. Although there are no restrictions on the type of mortgage that can be used as a first mortgage in conjunction with the Program, it is anticipated that mortgages approved by the Federal Housing Administration (FHA) will be widely used. The City will execute a Memorandum of Understanding with each eligible lender who wishes to participate in the program. All underwriting and execution of required state and federal certifications or affidavits will be performed by the participating lenders. Lenders will process financing of all types, using normal procedures, with additional procedures as necessary to satisfy Program requirements. A purchaser of an eligible new or existing single or two family residence may apply for homebuyer assistance through a HAF participating lender. The lender must process the application in conjunction with the processing of a mortgage loan and obtain approval of the application from the City of Grand Rapids before the loan closing. A home owner cannot apply for program funds after the mortgage loan has been closed. Program funds cannot be provided to a homebuyer who is refinancing an existing mortgage or land contract, or purchasing a home on a land contract. A Homebuyer may be required to repay a pro-rated amount of the Program subsidy upon the sale or disposition of their interest in the assisted-property and/or upon vacation of the property.

Location Description:

Specific addresses will vary depending on criteria as described in Section B of this amendment, Distribution and Uses of Funds. Specific addresses must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Vol. 73, No. 194.

Activity Progress Narrative:

Seven households with income above 50% AMI were provided with downpayment assistance in this quarter. The amount of assistance provided to each household was 20% of the purchase price. Note that six households with income at or below 50%

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

	This Report Period		Cumulative Actual Total / Expected		xpected		
	Low	Mod	Total	Low	Mod	Total Low	//Mod%
# of Total Households	0	5	7	1/10	6/30	9/40	77.78
Activity Locations							
Address			City		State	Zip	
996 Eton SW			Grand Rapids		NA	49509	9
1240 Morgan NW			Grand Rapids		NA	49504	4
145 Ann NE			Grand Rapids		NA	49505	5
134 Kirtland SW			Grand Rapids		NA	49509	9
133 Corinne SW			Grand Rapids		NA	49509	9
136 Kirtland SW			Grand Rapids		NA	49509	9
1453 Giddings SE			Grand Rapids		NA	49507	7

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: G3-001

Activity Title: Demolition (Deconstruction)

Activity Category: Activity Status:

Clearance and Demolition Planned

Project Number: Project Title:

NSP G3 Demolition/Deconstruction

Projected Start Date: Projected End Date:

03/20/2009 03/20/2013

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LMMI City of Grand Rapids Community Development Department

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
City of Grand Rapids Community Development Department	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City will demolish blighted structures using deconstruction methods to eliminate waste and protect the environment in compliance with the following City ordinances and codes. There will be no individual benefit to income qualified persons, but there will be an area-wide benefit (see(3) above.) City of Grand Rapids Zoning Ordinance (Chapter 61) Sec. 5.2.03. Alterations, Enlargements and Demolitions. A. Alterations and Enlargements. Existing buildings or structures shall not be modified, converted, enlarged, reconstructed, demolished, moved or structurally altered, except as permitted by or pursuant to this Chapter. B. Demolitions. Existing buildings or structures shall not be demolished, except as follows: 1. Site Plan and Reuse of Lot. Where a site plan for the redevelopment of the subject lot and the new use has been approved pursuant to this Chapter or is permitted by this Chapter without any approval; or 2. Building or Housing Code. Where the demolition has been authorized by Chapters 131 General Building Regulations or 140 Housing of the City Code, or required by a court or governmental agency or official of competent jurisdiction. Obtaining a building, demolition or other permit does not ensure compliance with this provision. City of Grand Rapids Housing Code (Chapter 140) Sec. 8.725. Standards for Demolition Orders. Notice to Repair or Demolish shall be issued for a structure instead of a Notice of Violation in any of the following circumstances: (1) Where a City estimate of the cost of the repair for compliance with the requirements of this Chapter is greater than a City Assessor estimate of the resale value of the dwelling after being brought to compliance. (2) Where a City estimate of the cost of repair for compliance with the requirements of this Chapter is greater than twice the City Assessed Valuation of the dwelling alone. (3) Where a structure has been condemned as unfit for human occupancy pursuant to Section 8.700(6) of this Chapter. (4) Where the City has declared a structure hazardous.

Location Description:

Specific addresses will vary. Targeted areas are based on need and additional criteria as described in Section A of this amendment, Areas of Greatest Need. Specific addresses must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332of the Federal Register Vol. 73, No. 194.

Activity Progress Narrative:

No demolition activity has occurred. A portion of these funds will be reprogrammed for other eligible uses.

Accomplishments Performance Measures

This Report Period

Cumulative Actual Total / Expected

Total

Total

0 0/8

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

of Housing Units

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding SourcesAmountNSP\$0.00Total Other Funding Sources\$0.00

Grantee Activity Number: G4-001 25% Set-aside

Activity Title: LH - 25% Set-Aside

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP G4

Projected Start Date:

03/20/2009

Benefit Type:

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

25%-50AMI

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

The City of Grand Rapids Community Development

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,905,305.00
Total CDBG Program Funds Budgeted	N/A	\$1,905,305.00
Program Funds Drawdown	\$385,189.86	\$676,598.81
Obligated CDBG DR Funds	\$467,749.00	\$1,273,851.00
Expended CDBG DR Funds	\$385,189.86	\$676,598.81
The City of Grand Rapids Community Development	\$385,189.86	\$676,598.81
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition and rehabilitation of residential properties that have been abandoned or foreclosed in order to sell or rent to households at or below 50% of Area Median Income. Houses will be rehabbed to comply with building codes, lead-based paint and asbestos abatement requirements, City housing code and energy standards.

Location Description:

Specific addresses will vary. Target areas are based on need and additional criteria as described in Section A of this amendment, Areas of Greatest Need. Specific properties must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Volume 73, No. 194.

Activity Progress Narrative:

To date, 82% of the funds required to meet the 25% set-aside for households with income at or below 50% of area median income (AMI) have been obligated. Habitat for Humanity of Kent County is the primary development partner focusing on the set-aside units. During the period of this report, rehabilitation was completed on five (5) properties; four (4) homes were sold. Following is a summary of the projects that are under contract:

Habitat for Humanity of Kent County

- >721 Griggs St SW: Rehabilitation completed and property sold (previously reported)
- >645 Prince St SE: Rehabilitation completed and property sold
- >570 Liberty St SW: Rehabilitation completed and property sold
- >635 Olympia St SW: Rehabilitation completed and property sold
- >1029 Hovey St SW: Rehabilitation completed and property sold
- >133 Corinne St SW: Rehabilitation completed
- >1011 Lincoln Ave NW
- >1003 Merrill Ave SW
- >848 Alpine Ave NW
- >1009 Dunham St SE
- >1009 Merrill Ave SW

>636 Olympia St SW
Lee Kitson, Builder, Inc.
>415 Marietta St NE &ndash Rehabilitation completed
Next Step of West Michigan
>1736 Union Ave SE - Rehabilitation completed
Lighthouse Communities, Inc.

>1727 Giddings Ave SE - Rehabilitation completed and property sold (previously reported)

Accomplishments Performance Measures

This Report Period Cumulative Actual Total / Expected

Total Total

of Housing Units

4 6/15

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
1029 Hovey St SW	Grand Rapids	NA	49504
635 Olympia St SW	Grand Rapids	NA	49503
645 Prince St SE	Grand Rapids	NA	49507
570 Liberty St SW	Grand Rapids	NA	49503

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

No Other Funding Sources Found Total Other Funding Sources