

Grantee: Hennepin County, MN

Grant: B-08-UN-27-0003

July 1, 2020 thru September 30, 2020 Performance Report

| | | |
|---|---|--|
| Grant Number: B-08-UN-27-0003 | Obligation Date: 03/20/2009 | Award Date: 03/09/2009 |
| Grantee Name: Hennepin County, MN | Contract End Date: | Review by HUD: Reviewed and Approved |
| Grant Award Amount: \$3,885,729.00 | Grant Status: Active | QPR Contact: Tonja West-Hafner |
| LOCCS Authorized Amount: \$3,885,729.00 | Estimated PI/RL Funds: \$2,172,695.02 | |
| Total Budget: \$6,058,424.02 | | |

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Hennepin County, located within the Minneapolis-St. Paul-Bloomington, MN-WI MSA, is the largest unit of local government in the State of Minnesota. There are 46 municipalities within the County, with an estimated population of over 1.1 million people. Approximately one-third of the County's population lives in Minneapolis with the remaining two-thirds residing in suburban Hennepin County. The County encompasses 611 square miles. According to the U.S. Census Bureau, there were an estimated 495,993 housing units in Hennepin County in 2006; approximately 36 percent of housing units are in multi-unit structures (2000 Census data). Both in-court and out-of-court foreclosure proceedings are used in Minnesota; with both types of foreclosure proceedings, the borrower can stop the foreclosure any time before the foreclosure sale by paying the default amount, plus fees and allowable costs. The timeline for a Minnesota foreclosure is approximately four months, not including the redemption period (a borrower usually has a six-month redemption period, but some property types and mortgages allow for a 12-month redemption period). Consistent with national trends, Hennepin County has been significantly impacted by high rates of mortgage foreclosure. The number of mortgage foreclosure sales in Hennepin County (including suburban Hennepin County and the City of Minneapolis) increased from 920 in 2002 to 5,563 in 2007. A 34 percent foreclosure rate increase is forecast for 2008, when the number of foreclosure sales is expected to exceed 7,000 (there have been 5,603 mortgage foreclosure sales from January 1, 2008 through September 30, 2008). Source: Hennepin County Sheriff's Office (includes city of Minneapolis) Foreclosures in Hennepin County initially hit some cities/neighborhoods particularly hard: North Minneapolis, Brooklyn Park, Brooklyn Center, Robbinsdale and Crystal. Most experts agree that Hennepin County will continue to experience high rates of foreclosure and resulting problems for several years to come, spreading across additional cities as different categories of risky mortgages come under stress. Early in 2007, the Hennepin County Board of Commissioners recognized the increasing impact of mortgage foreclosures in Hennepin County. The County Board responded in the short term by providing foreclosure prevention counseling funds. In order to facilitate a broader, multifaceted response to the mortgage foreclosure crisis, the County Board also established a Hennepin County Foreclosure Task Force, which included representatives of the following departments: County Attorney; Sheriff's Office; Office of Budget and Finance; Taxpayer Services; Housing, Community Works and Transit; Human Services and Public Health; County Administration; and County Assessor. The Foreclosure Task Force completed an initial report which is available at www.hennepin.us/neighborhoodstabilizationprogram. The Foreclosure Task Force continues to meet and report quarterly to the County Board. The U.S. Department of Housing and Urban Development (HUD) has provided data from four sources (listed below) that are used to predict whether or not a Census Tract Block Group ("CTBG" or "neighborhood") has a high or low risk for foreclosed and abandoned homes ("Estimated Foreclosure Abandonment Risk Score"): Office of Federal Housing Enterprise Oversight (OFHEO) data on decline in home val

Areas of Greatest Need:

ues as of June 2008 compared to peak home value since 2000 at the Metropolitan/Micropolitan/Non-Metropolitan level. Federal Reserve Home Mortgage Disclosure Act (HMDA) data on percent of all loans made between 2004 and 2006 that are high cost at the Census Tract Level. Labor Department data on unemployment rates in places and counties as of June 2008. USPS data on residential addresses identified as being vacant for 90 days or longer as of June 2008 at the Census Tract level.

Distribution and and Uses of Funds:

Hennepin County, as the lead agency of the Urban Hennepin County Community Development Block Grant (CDBG) Program, has received an allocation of \$3,885,729 from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP). This program is to assist in the redevelopment of abandoned and foreclosed homes, and was authorized by the Housing and Economic Recovery Act of 2008 (HERA), signed July 31, 2008. The Urban Hennepin County CDBG Program consists of Hennepin County and 40 suburban cities, which have all executed Joint



Cooperation Agreements enabling the County to secure and administer CDBG Program funding. In allocating NSP funds, HUD requires recipients to target those areas of greatest need, based on: The number and percentage of home foreclosures; The number and percentage of homes financed by a subprime mortgage related loan; and The number and percentage of homes in default or delinquency. Using data compiled by HUD and local data on the number of mortgage foreclosure sales from January 1, 2007 through September 30, 2008, staff has identified 12 suburban cities with the greatest concentrations of NSP target areas: Tier One (highest need) Brooklyn Center and Brooklyn Park. Tier Two; Champlin, Hopkins, Crystal, Maple Grove, New Hope, Mound, Richfield, Osseo, Robbinsdale and St. Louis Park. Together these 12 cities represent approximately 67 percent (3,824 out of 5,723) of mortgage foreclosure sales in suburban Hennepin County from January 1, 2007 through September 30, 2008. Hennepin County has formulated an NSP strategy based on discussions with the County Board throughout the year regarding housing foreclosure and related issues and dialogue with suburban cities, the city of Minneapolis, Minnesota Housing, the Family Housing Fund and other organizations actively involved in housing and foreclosure issues.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

| Overall | This Report Period | To Date |
|--|---------------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$6,058,424.02 |
| Total Budget | \$0.00 | \$6,058,424.02 |
| Total Obligated | \$0.00 | \$6,058,424.02 |
| Total Funds Drawdown | \$0.00 | \$6,058,424.02 |
| Program Funds Drawdown | \$0.00 | \$3,885,729.00 |
| Program Income Drawdown | \$0.00 | \$2,172,695.02 |
| Program Income Received | \$0.00 | \$2,172,695.02 |
| Total Funds Expended | \$140,023.62 | \$6,058,424.02 |
| HUD Identified Most Impacted and Distressed | \$0.00 | \$0.00 |
| Other Funds | \$ 0.00 | \$ 0.00 |
| Match Funds | \$ 0.00 | \$ 0.00 |
| Non-Match Funds | \$ 0.00 | \$ 0.00 |

Funds Expended

| Overall | This Period | To Date |
|-----------------|--------------------|-----------------|
| Hennepin County | \$ 140,023.62 | \$ 6,058,424.02 |

Progress Toward Required Numeric Targets

| Requirement | Target | Projected | Actual |
|--|------------------|------------------|----------------|
| Overall Benefit Percentage | 99.99% | .00% | .00% |
| Minimum Non Federal Match | \$.00 | \$.00 | \$.00 |
| Overall Benefit Amount | \$605,781,817.76 | \$.00 | \$.00 |
| Limit on Public Services | \$582,859.35 | \$.00 | \$.00 |
| Limit on Admin/Planning | \$388,572.90 | \$324,919.14 | \$324,919.14 |
| Limit on Admin | \$.00 | \$324,919.14 | \$324,919.14 |
| Most Impacted and Distressed | \$.00 | \$.00 | \$.00 |
| Progress towards LH25 Requirement | \$1,514,606.01 | | \$1,699,497.38 |



Overall Progress Narrative:

All activities are complete. We did a final reconciliation of units and funding. We did final adjustment to funds expended to reconcile budgets. This should be our final QPR.

Project Summary

| Project #, Project Title | This Report | To Date | |
|---|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 1, Financing Mechanisms -- NSP Homebuyer Assistance | \$0.00 | \$804,864.31 | \$752,906.00 |
| 2, Purchase & Rehab -- NSP Acquisition and Rehabilitation | \$0.00 | \$4,928,640.57 | \$2,892,139.86 |
| 4, NSP Administration | \$0.00 | \$324,919.14 | \$240,683.14 |

Activities

Project # / 1 / Financing Mechanisms -- NSP Homebuyer Assistance



Grantee Activity Number: NSP2008 - 01 thru 04
Activity Title: Financing Mech - Homebuyer Assistance- 50% HH

Activity Type:
 Homeownership Assistance to low- and moderate-income
Project Number:
 1
Projected Start Date:
 03/19/2009
Benefit Type:
 Direct (HouseHold)
National Objective:
 NSP Only - LH - 25% Set-Aside

Activity Status:
 Completed
Project Title:
 Financing Mechanisms -- NSP Homebuyer Assistance
Projected End Date:
 09/30/2010
Completed Activity Actual End Date:
 06/30/2010
Responsible Organization:
 Hennepin County

| Overall | Jul 1 thru Sep 30, 2020 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | \$0.00 | \$263,351.01 |
| Total Budget | \$0.00 | \$263,351.01 |
| Total Obligated | \$0.00 | \$263,351.01 |
| Total Funds Drawdown | \$0.00 | \$263,351.01 |
| Program Funds Drawdown | \$0.00 | \$211,392.70 |
| Program Income Drawdown | \$0.00 | \$51,958.31 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$263,351.01 |
| Hennepin County | \$0.00 | \$263,351.01 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |

Activity Description:

A. Establish financing Mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties. We have created two programs to help want to be homeowners to purchase:

- NSP Homebuyer Assistance Program; and
- NSP Homebuyer Rehabilitation Assistance Program.

This part of the funding will be used if we are able to serve households at or below 50% of AMI We increased this budget and households benefiting over the course of this activity to reflect the number and amount of funds we were able to use for 50% Households. Overall we have assisted less households than we anticipated because the average household assistance was much higher than we originally anticipated.

Location Description:

HUD Target Areas in Brooklyn Center, Brookly Park, New Hope and Crystal

Activity Progress Narrative:

Activity is Complete. We assisted nine households under 50% AMI purchase properties. The last one in this activity closed 6/30/2010.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 9/9 |
| # of Singlefamily Units | 0 | 9/9 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 9/9 | 0/0 | 9/9 | 100.00 |
| # Owner Households | 0 | 0 | 0 | 9/9 | 0/0 | 9/9 | 100.00 |

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 | |

Activity Supporting Documents: None



| | |
|---------------------------------|---|
| Grantee Activity Number: | NSP2008 - 01 to 04 |
| Activity Title: | Financing Mechanisms -NSP Homebuyer Assistance |

| | |
|---|---|
| Activity Type: Homeownership Assistance to low- and moderate-income | Activity Status: Completed |
| Project Number: 1 | Project Title: Financing Mechanisms -- NSP Homebuyer Assistance |
| Projected Start Date: 03/19/2009 | Projected End Date: 09/30/2010 |
| Benefit Type: Direct (HouseHold) | Completed Activity Actual End Date: 12/16/2010 |
| National Objective: NSP Only - LMMI | Responsible Organization: Hennepin County |

| Overall | Jul 1 thru Sep 30, 2020 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$541,513.30 |
| Total Budget | \$0.00 | \$541,513.30 |
| Total Obligated | \$0.00 | \$541,513.30 |
| Total Funds Drawdown | \$0.00 | \$541,513.30 |
| Program Funds Drawdown | \$0.00 | \$541,513.30 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$541,513.30 |
| Hennepin County | \$0.00 | \$541,513.30 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |

Activity Description:

A. Establish financing Mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties. We have created two programs to help want to be homeowners to purchase:

- NSP Homebuyer Assistance Program; and
- NSP Homebuyer Rehabilitation Assistance Program.

We decreased this budget and households benefiting over the course of this activity to reflect the number and amount of funds we were able to use for Households under 120% AMI during the time we had the project open. We had to close the program and move the remaining budget to Acq/Rehab to ensure that funds would get obligated by the deadline. Overall we have assisted less households than we anticipated because the average household assistance was much higher than we originally anticipated.

Location Description:

The HUD Target areas in Brooklyn Center, Brooklyn Park, New Hope and Crystal

Activity Progress Narrative:

Activity is complete. We assisted 23 households to purchase homes. Of the 23, 19 households were at or below 80% AMI and four were at or below 120% AMI.



Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 23/23 |
| # of Singlefamily Units | 0 | 23/23 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-------|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 0/0 | 19/19 | 23/23 | 82.61 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 19/19 | 23/23 | 82.61 |

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 | |

Activity Supporting Documents: None

Project # / 2 / Purchase & Rehab -- NSP Acquisition and Rehabilitation

| | |
|---------------------------------|---|
| Grantee Activity Number: | NSP2008 - 11 thru 13 |
| Activity Title: | NSP Acquisition and Rehabilitation -- 50% HH |

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
2

Projected Start Date:
03/19/2009

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LH - 25% Set-Aside

Activity Status:
Completed

Project Title:
Purchase & Rehab -- NSP Acquisition and

Projected End Date:
03/31/2014

Completed Activity Actual End Date:
06/24/2015

Responsible Organization:
Hennepin County

| Overall | Jul 1 thru Sep 30, 2020 | To Date |
|--|-------------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$1,436,146.37 |
| Total Budget | \$0.00 | \$1,436,146.37 |
| Total Obligated | \$0.00 | \$1,436,146.37 |
| Total Funds Drawdown | \$0.00 | \$1,436,146.37 |
| Program Funds Drawdown | \$0.00 | \$757,706.18 |
| Program Income Drawdown | \$0.00 | \$678,440.19 |
| Program Income Received | \$0.00 | \$470,982.59 |
| Total Funds Expended | \$0.00 | \$1,436,146.37 |
| Hennepin County | \$0.00 | \$1,436,146.37 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |

Activity Description:

B. Purchase and Rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.
We increased the number of households benefiting to reflect the movement of funds to this activity.

Location Description:

NSP HUD target areas in Brooklyn Center, Brooklyn Park and Crystal

Activity Progress Narrative:

Activity is complete. We assisted with the acquisition, rehab and resale of ten properties to households at or below 50% AMI.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # ELI Households (0-30% AMI) | 0 | 0/0 |



| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 10/10 |
| # of Singlefamily Units | 0 | 10/10 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 10/10 | 0/0 | 10/10 | 100.00 |
| # Owner Households | 0 | 0 | 0 | 10/10 | 0/0 | 10/10 | 100.00 |

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 | |

Activity Supporting Documents: None



| | |
|---------------------------------|--------------------------------------|
| Grantee Activity Number: | NSP2008-11 to 13 |
| Activity Title: | B. Acquisition Rehabilitation |

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
2

Projected Start Date:
03/19/2009

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Completed

Project Title:
Purchase & Rehab -- NSP Acquisition and

Projected End Date:
03/31/2014

Completed Activity Actual End Date:
03/07/2018

Responsible Organization:
Hennepin County

| Overall | Jul 1 thru Sep 30, 2020 | To Date |
|--|-------------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$3,492,494.20 |
| Total Budget | \$0.00 | \$3,492,494.20 |
| Total Obligated | \$0.00 | \$3,492,494.20 |
| Total Funds Drawdown | \$0.00 | \$3,492,494.20 |
| Program Funds Drawdown | \$0.00 | \$2,134,433.68 |
| Program Income Drawdown | \$0.00 | \$1,358,060.52 |
| Program Income Received | \$0.00 | \$1,701,712.43 |
| Total Funds Expended | \$140,023.62 | \$3,492,494.20 |
| Hennepin County | \$140,023.62 | \$3,492,494.20 |
| Most Impacted and Distressed Expended | \$0.00 | \$0.00 |

Activity Description:

B. Purchase and Rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.

Location Description:

NSP Target Areas in Brooklyn Center, Brooklyn Park, Crystal

Activity Progress Narrative:

This Activity is complete. I have made the final adjustment to funds expended to match our budget and reconciliation. We assisted with the acquisition, rehab and resale of 28 properties under this activity, we had expected to do only 27. Of the 28, 23 were households at or below 120% AMI and the remaining five were at or below 80% AMI.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 28/28 |
| # of Singlefamily Units | 0 | 28/28 |



Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|---------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod |
| # of Households | 0 | 0 | 0 | 0/0 | 5/5 | 28/28 | 17.86 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 5/5 | 28/28 | 17.86 |

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 | |

Activity Supporting Documents: None

Project # / 4 / NSP Administration

Grantee Activity Number: NSP2008-29

Activity Title: NSP Administration

Activity Type:

Administration

Project Number:

4

Projected Start Date:

03/19/2009

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Completed

Project Title:

NSP Administration

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

05/01/2018

Responsible Organization:

Hennepin County

Overall

Total Projected Budget from All Sources

Jul 1 thru Sep 30, 2020

\$0.00

To Date

\$324,919.14

Total Budget

\$0.00

\$324,919.14

Total Obligated

\$0.00

\$324,919.14

Total Funds Drawdown

\$0.00

\$324,919.14

Program Funds Drawdown

\$0.00

\$240,683.14

Program Income Drawdown

\$0.00

\$84,236.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$324,919.14

Hennepin County

\$0.00

\$324,919.14

Most Impacted and Distressed Expended

\$0.00

\$0.00

Activity Description:

This is Program Administration for the implementation of the NSP Program Funds.

Location Description:

HUD Target Areas

Activity Progress Narrative:

Activity Complete.

Accomplishments Performance Measures

No Accomplishments Performance Measures

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

No Other Funding Sources Found

Total Other Funding Sources

Activity Supporting Documents: None
