

**Grantee: Islip Town, NY**

**Grant: B-08-MN-36-0102**

**July 1, 2009 thru September 30, 2009 Performance Report**

**Grant Number:**

B-08-MN-36-0102

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

Islip Town, NY

**Award Date:****Grant Amount:**

\$3,720,392.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**Submitted By:**

No Submitter Found

## Disasters:

### Declaration Number

NSP

## Plan Description:

An analysis of the data provided by HUD indicates that 29.2% of the home loans originated in the Town of Islip between 2004 and 2006 were high cost loans (generally referred to as sub-prime). These loans typically have a higher rate of interest than conventional loans, and generally have variable interest rates. Most often, people apply for these higher cost and higher risk loans when they could not otherwise qualify for a conventional loan. This may be due to low documented income, poor credit, insufficient savings, or other factors. The high cost of housing on Long Island forces many families of modest means to over extend themselves in order to have any chance of purchasing a home. Sometimes, however, families who could qualify for conventional loans are misled into applying for sub-prime loans, because of the higher profit margins for the underwriter. Areas with a high proportion of sub-prime loans are expected to experience more foreclosures than other areas. HUD has also provided data on estimated foreclosure rates and has calculated an estimated foreclosure risk score for each of the Census Block Groups in the Town. Their estimated foreclosure rate for the Town of Islip is 4.6%. An independent and highly accurate source of data on foreclosures is Long Island Profiles Publishing Co., Inc. Long Island Profiles maintains data bases of all home sales on Long Island, all lis pendens (default notices) filed, mortgage judgments, and foreclosure sales. They have prepared a special report for the Town of Islip, Town of Babylon and County of Suffolk which lists the number of foreclosures in each hamlet for 2006, 2007 and 2008. They also documented the number of lis pendens filed by hamlet. The foreclosures data indicates to us which hamlets have the highest number of foreclosures, and the historical data shows us what the trends are from 2006 to the present for these same areas. The lis pendens data shows us the areas that currently have the largest number of mortgage suits underway, and therefore will be a good predictor of areas likely to face a significant rise in the rate of foreclosures. Before summarizing the new data from Long Island Profiles, we should first take a closer look at some of the HUD supplied data: Foreclosure Rate 1) HUD lists 72 Census Tracts in the Town of Islip. 2) The average HUD estimated foreclosure rate for the entire Town is 4.6%. 3) There are 23 Census Tracts with foreclosure rates in excess of 1½ times the town average ( $4.6 \times 1.5 = 6.9\%$ ). 4) Of the 16 hamlets and 4 villages that comprise the Town of Islip, all of these 23 Census Tracts are in just three hamlets: Bay Shore, Brentwood and Central Islip. High Cost Mortgages 1) The average HUD estimated high cost mortgage rate for the entire Town is 29.2%. 2) There are 20 Census Tracts with high cost mortgage percentages in excess of 1½ times the town average ( $29.2 \times 1.5 = 43.8\%$ ). 3) All of these 20 Census Tracts are in just three hamlets: Bay Shore, Brentwood and Central Islip. 4) All 20 of the high cost mortgage Census Tracts are the same as estimated high foreclosure rate Census Tracts. Foreclosure Risk 1) HUD has ranked each of the 249 Census Block Groups in the Town on a scale of 1 to 10 based upon their calculation of the estimated foreclosure risk, with 10 being the highest anticipated risk. 2) There are 40 Block Groups with estimated foreclosure risks of 8 or higher, and all but two of the Block Groups are considered low, moderate and middle income eligible. 3) All of these very high risk Block Groups are in the hamlets of Bay Shore, Brentwood and Central Islip 4) Six Block Groups scored a 10 in HUDs analysis, two in Brentwood, and 4 in Central Islip.

## Recovery Needs:

The Town of Islip is proposing to use all of the funds allocated to it under the Neighborhood Stabilization Program for the acquisition and renovation of homes in the hamlets of Bay Shore, Brentwood and Central Islip. These are

the same communities described in Section A with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgages, and with the likelihood of facing the most new foreclosures.

While the NSP funding level is insufficient to make a major dent in the foreclosure problems in the target communities, we will attempt to carefully select the homes we purchase within the communities in such a way as to make the greatest impact. For example, we will attempt to purchase the foreclosed houses in the worst condition, and therefore with the least likelihood of being purchased by the private sector. In addition, we will attempt to identify pockets within the target communities with numerous foreclosures in close proximity to one another. Purchase of properties in these pockets will help to minimize the likelihood of gangs or other criminals from squatting in the houses and further destabilizing the communities.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$3,720,392.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$3,720,392.00
<b>Program Funds Drawdown</b>	\$2,207.00	\$2,207.00
<b>Obligated CDBG DR Funds</b>	\$3,207.00	\$3,207.00
<b>Expended CDBG DR Funds</b>	\$2,207.00	\$2,207.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
<b>Minimum Overall Benefit Percentage</b>	\$99.99	\$0.00
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$558,058.80	\$0.00
<b>Limit on Admin/Planning</b>	\$372,039.20	\$657.00
<b>Limit on State Admin</b>	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

As of September 30, 2009, one (1) home was in the process of being purchased through the National Community Stabilization Trust (NCST), and our two non-profit subrecipients were in the process of selecting appropriate homes for purchase. Three more houses were selected for purchase by the CDA shortly after the close of this reporting period. Administrative funds are now being utilized for program administration, planning and staffing.

## Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Affordable Housing - Funding Mechanisms	\$0.00	\$1,550.00	\$3,348,353.00	\$1,550.00
4, Administration and Planning	\$0.00	\$657.00	\$372,039.00	\$657.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** 1

**Activity Title:** Affordable Housing for First Time Homebuyer

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Affordable Housing - Funding Mechanisms

**Projected Start Date:**

01/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Town of Islip Community Development Agency

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$2,418,255.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,418,255.00
<b>Program Funds Drawdown</b>	\$1,550.00	\$1,550.00
<b>Obligated CDBG DR Funds</b>	\$2,550.00	\$2,550.00
<b>Expended CDBG DR Funds</b>	\$1,550.00	\$1,550.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental or sale to families earning between 50% and 120% of median income. The CDA staff will carefully inspect each home to determine the scope of required renovations, and private contractors will bid to perform the renovation work. Purchasers will be selected through a lottery. The intention of this activity is to sell all of the houses to first time homebuyers. If, however, the market falters to the point that potential purchasers are unable to obtain financing from participating banks, or if there are an insufficient quantity of interested purchasers, it may be necessary to rent the homes to income qualified families until the market improves and the backlog of houses for sale in the communities is greatly reduced. This activity is not designed to meet the low income housing requirement for those below 50% of area median income.

**Location Description:**

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

**Activity Progress Narrative:**

CDA entered into a contract of sale for one foreclosed home in an NSP target area.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	1/10
# of housing units	0	0	1	0/0	0/0	1/10
# of Households benefitting	0	0	0	0/5	0/5	0/10

**Activity Locations**

Address	City	State	Zip
171 Charter Oaks Dr.	Brentwood	NA	11717

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

<b>Grantee Activity Number:</b>	<b>2</b>
<b>Activity Title:</b>	<b>Affordable Housing - Habitat</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Affordable Housing - Funding Mechanisms

**Projected Start Date:**

01/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Town of Islip Community Development Agency

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$400,000.00
Total CDBG Program Funds Budgeted	N/A	\$400,000.00
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

### Activity Description:

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental or sale to families earning less than 50% of median income. Habitat for Humanity of Suffolk will be given approximately two foreclosed houses to renovate and re-sell to first time homebuyers through the Section Eight Homeownership Program operated by the Town of Islip Housing Authority. Habitat staff will carefully inspect each home to determine the scope of required renovations, and volunteers as well as private contractors will perform the renovation work. Purchasers will be selected from amongst Islip Housing Authority's Family Self Sufficiency Program participants, in cooperation with Habitat for Humanity's Family Selection Committee. This activity is designed to meet the low income housing requirement for those below 50% of area median income.

### Location Description:

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

### Activity Progress Narrative:

Habitat for Humanity of Suffolk is in the process of identifying appropriate foreclosed homes in target area for purchase and rehabilitation as very low income ownership housing.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2
# of Households benefitting	0	0	0	0/2	0/0	0/2

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

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**Grantee Activity Number:** 3

**Activity Title:** Affordable Rental Housing for Low Income Families

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Affordable Housing - Funding Mechanisms

**Projected Start Date:**

01/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Town of Islip Community Development Agency

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$530,098.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$530,098.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental to families earning less than 50% of median income. One or more non-profit partners will be selected by the CDA to take possession of foreclosed homes, carefully inspect them to determine the scope of required renovations, and private contractors will bid to perform the renovation work. Tenants will be selected by the non-profit in a fair and equitable manner to be reviewed and approved by the CDA. The intention of this activity is to develop new permanently affordable rental housing units to be owned and managed by qualified non-profit agencies. This activity is designed to meet the low income housing requirement for those below 50% of area median income.

**Location Description:**

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

**Activity Progress Narrative:**

Community Development Corp of Long Island is in the process of identifying appropriate foreclosed homes in target area for purchase and rehabilitation as very low income affordable rental housing.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2
# of Households benefitting	0	0	0	0/2	0/0	0/2

**Activity Locations**

No Activity Locations found.



## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

<b>Grantee Activity Number:</b>	<b>4</b>
<b>Activity Title:</b>	<b>Administration and Planning</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

4

**Project Title:**

Administration and Planning

**Projected Start Date:**

01/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

N/A

**Responsible Organization:**

Town of Islip Community Development Agency

**Overall****Jul 1 thru Sep 30, 2009****To Date**

Total Projected Budget from All Sources	N/A	\$372,039.00
Total CDBG Program Funds Budgeted	N/A	\$372,039.00
Program Funds Drawdown	\$657.00	\$657.00
Obligated CDBG DR Funds	\$657.00	\$657.00
Expended CDBG DR Funds	\$657.00	\$657.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

**Activity Description:**

General administration and planning relating to the implementation of the three other activities, plus reporting and monitoring.

**Location Description:**

Not Applicable

**Activity Progress Narrative:**

Administrative funds are now being utilized for program administration, planning and staffing.

**Performance Measures**

No Performance Measures found.

**Activity Locations**

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

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