

Grantee: Evanston, IL

Grant: B-09-LN-IL-0026

April 1, 2010 thru June 30, 2010 Performance Report

Grant Number:

B-09-LN-IL-0026

Obligation Date:**Grantee Name:**

Evanston, IL

Award Date:**Grant Amount:**

\$18,150,000.00

Contract End Date:

02/11/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Sarah Flax

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

The City of Evanston's Neighborhood Stabilization Program 2 provides Evanston a unique opportunity to provide quality, affordable housing for its residents and workers in neighborhoods where foreclosures are escalating and homeowners are quickly losing their life investment. The targeted census tracts are two primarily residential areas that substantially lag other parts of the city in new investment and where the recent economic downturn has fueled rapid disinvestment. Our project will stabilize, improve market conditions, provide housing and bring positive change to these areas of the City of Evanston.

Our NSP2 project employs two strategies. First, we will purchase and rehabilitate 100 foreclosed and vacant housing units throughout the target geography for sale or rent at affordable rates. Second, we will purchase and redevelop vacant and blighted industrial property in west Evanston for redevelopment as the first phase of Emerson Square, ultimately planned as a 90+-unit mixed-income community offering apartments, townhomes, flats and single family homes for rental and ownership. Emerson Square will do much more than provide affordable housing; it will jump-start implementation of the West Evanston Master Plan, a comprehensive land use plan that organizes residential, commercial and recreational needs into a more livable, walkable community with a lifecycle of housing choice.

The combined strategies provide the opportunity to leverage outside capital and impact the targeted neighborhoods at an unprecedented scale. Brinshore Development, our partner in this venture, brings experience and capacity in development projects of this scope. Combined with the City's knowledge of community need and experience managing federal grant programs, we establish a team with the capacity to implement our plan and accomplish its goals, and bring financing commitments to move the project forward.

Target Geography:

The City of Evanston's target geography consists of two census tracts, 8092 and 8102, identified by HUD as Areas of Greatest Need based on their foreclosure and vacancy scores. Tract 8092 has a foreclosure score of 19 and vacancy score of 20; 8102 has a foreclosure score of 17 and vacancy score of 19. The average max score for the target geography is 19.5.

Census tract 8092 in west Evanston has experienced the highest percentage of foreclosure starts in the entire city over the last two years.

Data from policymap.com indicate that foreclosure has been initiated on 18.75% of all mortgages in this tract. Located on the west side of Evanston primarily in the Fifth Ward, tract 8092 has 46.5% owner-occupied units and 53.5% renter occupied units per the 2000 Census. Its rental housing differs from traditional rental buildings throughout the City. There are few mid-size and no large multi-family rental buildings. Many are smaller, frame buildings with one, two or three units that were converted from single family structures.

According to data from policymap.com, as of March 2009, over 11% of the residential units in tract 8092 were vacant, the highest percentage of any area in the City of Evanston. As further evidence of the impact foreclosures have had on this neighborhood, of the 70 REOs in 2008, 52 or 57.8% were located in tract 8092.

Census tract 8102, with 2,640 occupied housing units in the 2000 census, is located in the southern area of Evanston primarily in the Eighth Ward and is the second area of focus. Its housing characteristics and stabilization needs differ from those in 8092, as its housing is predominantly multi-family, with many vintage, large courtyard buildings as well as three to six flats. A greater majority of its units are renter-occupied, at 56.5%, with 43.5% owner-occupied. It is affected by the oversupply of condominium units on the market in Evanston and the number of condominium owners facing foreclosure. As of March, 2009, 6% of all residential units in Census tract 8102 were vacant. From January 2008, to May 31, 2009, there have been almost 50 REO properties in the tract, and over 40 foreclosure filings. The number of foreclosures in this area threatens the stability of large condominium properties as well as the revitalization effects that redevelopment started to bring to this area.

The residential condominium boom of the last eight years has impacted all areas of Evanston through property appreciation, but tract 8102 was more directly affected. The City has seen 38 new multi-unit residential developments built or under construction since 2000, creating over 2,300 new ownership units and about new 400 rental units. The new developments helped fuel increased interest in Evanston among both developers and homebuyers, stimulating condominium conversions to supplement the new condominium supply. Of the 60 condominium conversion projects affecting over 800 units in Evanston since 2000, 61% were located in tract 8102, where over 500 rental units were

converted to for-sale condo units.

Program Approach:

Evanston’s program approach for NSP2 employs both rehabilitation and redevelopment strategies that will return foreclosed and abandoned housing to productive use and jump start implementation of the West Evanston Master Plan, a comprehensive land use plan that organizes residential, commercial and recreational needs into a more livable, walkable community with a lifecycle of housing choice. Our program includes:

- The purchase and rehabilitation of 100 foreclosed and vacant housing units in the target geography for sale or rent at affordable rates.
- The purchase and redevelopment of vacant and blighted industrial property in west Evanston as Emerson Square, a new development that will ultimately consist of 90+ housing units including apartments, townhomes, flats and single family homes for rental and ownership. The first phase of this development, consisting of 30 rental units in townhomes and small flats, will be funded in part with NSP2 dollars.

Consortium Members:

How to Get Additional Information:

For additional information on NSP2, please contact:
Sarah Flax
>CDBG Administrator
>2100 Ridge Avenue Rm 3900
>Evanston, Illinois 60201
>Telephone: 847.866.2928 ext 2268
>Fax: 847.448.8120
>Email: sflax@cityofevanston.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$18,150,000.00
Total CDBG Program Funds Budgeted	N/A	\$18,150,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$46,585.00	\$46,585.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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	\$0.00	\$0.00
Limit on Admin/Planning	\$1,815,000.00	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,815,000.00	\$1,815,000.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$4,537,500.00	\$4,537,500.00

Overall Progress Narrative:

Substantial progress on implementing the City of Evanston's NSP2 project was made in this quarter. Brinshore Development LLC has focused on property acquisition of foreclosed and abandoned housing units in census tracts 8092 and 8102 to meet the commitment of acquiring, rehabbing and returning 100 units of foreclosed or abandoned housing to productive use for occupancy by households at or below 120% of the area median income. An NSP2 Housing Specialist was hired to help implement and administer the program. Progress was also made on the redevelopment portion of the project with submission of an application for Low Income Housing Tax Credits. Eligible properties were identified in each census tract and negotiations for purchase are underway. To date, purchase prices have been reached on 16 properties, a mix of single-family and two-flats, totaling 23 foreclosed housing units. Environmental reviews have been completed or are underway on the properties with closings scheduled beginning in mid July. We anticipate first bid packages for rehab work will be released in August.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$18,150,000.00)	\$0.00
B, Acquisition and Rehab	\$0.00	\$14,850,000.00	\$0.00
D, Demolition	\$0.00	\$300,000.00	\$0.00
E, Redevelopment	\$0.00	\$1,185,000.00	\$0.00
P&A, Admin	\$0.00	\$1,815,000.00	\$0.00
Q, Cancelled project	\$0.00	\$0.00	\$0.00
R, Cancelled Project	\$0.00	\$0.00	\$0.00
S, Cancelled Project	\$0.00	\$0.00	\$0.00

T, Cancelled Project	\$0.00	\$0.00	\$0.00
U, Cancelled Project	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 5005

Activity Title: NSP2 Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

P&A

Project Title:

Admin

Projected Start Date:

02/11/2010

Projected End Date:

02/11/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Evanston

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$1,815,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,815,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$46,585.00	\$46,585.00
City of Evanston	\$46,585.00	\$46,585.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

General program administration including ensuring all program requirements are met. The City will oversee and monitor all work completed as part of this program by its development partner, Brinshore Development LLC, and its subsidiaries and subcontractors. The City will ensure compliance with all federal cross-cutting requirements and report all activities in DRGR, RAMPS and federalreporting.gov.

Location Description:

Administration of the City's NSP2 program is the responsibility of the Planning and Zoning division, with support from other divisions including Building and Inspection Services. Staff members' offices are located in the Lorraine H. Morton Civic Center, 2100 Ridge Ave in Evanston.

Activity Progress Narrative:

Activities included developing the chart of accounts for NSP2 and setting up processes and procedures for program implementation and management. Additional staff was hired to expand capacity for program implementation and administration. Meetings were held with local construction businesses and workers to inform them about the bidding process for rehab work. Information on the certification process for Section 3 and minority-, woman-owned and Evanston based enterprise status was provided to over 250 businesses and individuals to facilitate compliance with Section 3 goals and the City's minority-, woman-owned and Evanston based enterprise contracting requirements.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address

2100 Ridge Ave

City

Evanston

State

NA

Zip

60201

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

No Other Funding Sources Found

Total Other Funding Sources

Amount

Grantee Activity Number: 5090 - 8092 LMMI

Activity Title: Redevelopment-Emerson Square

Activity Category:

Construction of new housing

Activity Status:

Under Way

Project Number:

E

Project Title:

Redevelopment

Projected Start Date:

05/01/2010

Projected End Date:

02/11/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Evanston

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$1,185,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,185,000.00
Program Funds Drawdown	\$0.00	\$0.00
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Expended CDBG DR Funds	\$0.00	\$0.00
City of Evanston	\$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:

Redevelopment plan is for the construction of 30 units of new rental housing for occupancy by households at or below 120% AMI. Building types are townhomes and six flats. Three units will be fully accessible. Units will have EnergyStar appliances and incorporate additional green features.

Location Description:

Redevelopment site is in census tract 8092, block group 2 and is a vacant industrial site. This parcel is designated for redevelopment as residential under the West Evanston Master Plan that was developed through a multi-phase planning process involving area residents and stakeholders and approved by City Council in 2007.

Activity Progress Narrative:

Brinshore Development LLC submitted an application for Low Income Housing Tax Credits to the Illinois Housing Development Authority to help fund the construction of the first phase of the Emerson Square Redevelopment. This phase includes 30 units of housing in small flats and townhomes. We anticipate hearing if the application is successful sometime in August 2010. In addition, City staff is in discussion with the Illinois EPA regarding environmental testing and assessment of the site, which is a vacant industrial property.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with solar panels	0	0/0
#Low flow toilets	0	0/45
#Low flow showerheads	0	0/45

#Units with bus/rail access	0	0/30
#Units exceeding Energy Star	0	0/30
#Sites re-used	0	0/1
#Units other green	0	0/30
Activity funds eligible for DREF (Ike	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/30

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Total Households	0	0	0	0/0	0/30	0/30	0

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	
