Grantee: Minneapolis, MN

Grant: B-09-CN-MN-0037

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number:
B-09-CN-MN-0037

Obligation Date:
02/11/2010

Award Date:
02/11/2010

Grantee Name:
Minneapolis, MN

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$19,455,156.00

Grant Status:
Active

QPR Contact:
Kevin James Knase

LOCCS Authorized Amount:
$19,455,156.00

Estimated PI/RL Funds:
$7,246,484.00

Total Budget:
$26,701,640.00

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

Lead Applicant: City of Minneapolis—Community Planning and Economic Development (CPED)
Consortium Members: City of Minneapolis, Community Planning and Economic Development (CPED); City of Brooklyn Park, Community Development Department; and Hennepin County Housing, Community Works and Transit Department (HCWT)
Minneapolis submits to the U.S. Department of Housing and Urban Development an application for the Neighborhood Stabilization Program 2 (NSP2) funds under the American Recovery and Reinvestment Act, 2009 as lead applicant in a Consortium with the City of Brooklyn Park and Hennepin County.
The total NSP2 award to the Consortium is $19,455,156 and will impact approximately 400 units. The award is provided to Consortium members by the following split: $15,424,156 for Minneapolis, $2,344,000 for Brooklyn Park and $1,687,000 for Hennepin County.
In the neighborhoods hardest hit by foreclosures in Minneapolis, Brooklyn Park and Hennepin County NSP2 resources would provide for:
• Down Payment and Closing Cost Assistance—121 households served
• Purchase and Rehabilitation—54 units
• Acquisition and Land Banking—56 properties
• Demolition- 56 properties
• Redevelopment—116 units
The Consortium application will be one of the most innovative in the nation due to community collaboration with National Community Stabilization Trust (NCST) and the non-profit development community. The collaboration has launched the First Look pilot program which provides the opportunity to purchase over 700 pre-market foreclosed properties at an adjusted price. Additional collaboration will occur with the Twin Cities Community Land Bank, a newly organized non-profit limited liability company. It was established to assemble, manage and dispose of property and vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or re-development of urban property when the market is ready to absorb new development.

Target Geography:

The Consortium is comprised of the governmental entities of the City of Minneapolis, City of Brooklyn Park, and Hennepin County, the three largest units of local government to actively engage in foreclosure recovery efforts within Hennepin County. The highest numbers of foreclosures in Hennepin County occur in Minneapolis and Brooklyn Park. For efficiency in administration, Hennepin County is applying on behalf of the other six cities in suburban and exurban Hennepin County with significant foreclosure problems.
The Consortium's target area includes 73 census tracts in three connected yet distinct areas: (1) Urban Core-Minneapolis, 55 census tracts (75%); (2) Suburban-Brooklyn Park and Hennepin County, 11 census tracts (15%); and (3) Exurban and Outer Ring Suburbs-Hennepin County, 7 census tracts (10%). The Consortium's target area has an average combined index score of 18.12 based on the HUD-provided indices on the estimated number and percentages of foreclosures and estimated foreclosures with vacancy rate.
Hennepin County, located within the Minneapolis-St. Paul Metropolitan Statistical Area (MSA), is the largest county in the State of Minnesota. There are 46 municipalities within the county, with an estimated population of over 1.2 million people. Approximately one-third of the county's population lives in Minneapolis and the remaining two-thirds reside in suburban and exurban Hennepin County. The county encompasses 611 square miles.

List of Census Tracts in NSP2 target area
City Census Tract
Mpls 27053000101
Mpls 27053102300

Mpls 27053000102
Mpls 27053102500
Mpls 27053000300
Mpls 27053102600
Mpls 27053000601
Mpls 27053102800
Mpls 27053000603
Mpls 27053102900
Mpls 27053001100
Mpls 27053103400
Mpls 27053001700
Mpls 27053104100
Mpls 27053002200
Mpls 27053106000
Mpls 27053002400
Mpls 27053107100
Mpls 27053002700
Mpls 27053107200
Mpls 27053003200
Mpls 27053108600
Mpls 27053003300
Mpls 27053108700
Mpls 27053005902
Mpls 27053109400
Mpls 27053007301
Mpls 27053109700
Mpls 27053007302
Mpls 27053110000
Mpls 27053007802
Mpls 27053110100
Mpls 27053007900
Mpls 27053110200
Mpls 27053008300
Mpls 27053110900
Mpls 27053008400
Mpls 27053008500
Mpls 27053009500
Mpls 27053009600
Mpls 27053100200
Mpls 27053100400
Mpls 27053100500
Mpls 27053100700
Mpls 27053100800
Mpls 27053100900
Mpls 27053101200
Mpls 27053101300
Mpls 27053101400
Mpls 27053101500
Mpls 27053101600
Mpls 27053101800
Mpls 27053101900
Mpls 27053102000
Mpls 27053102100
Brooklyn Park 27053026807
Brooklyn Park 27053026810
Brooklyn Park &nbs

Target Geography:

p;27053026811
Brooklyn Park 27053026814
Brooklyn Park 27053026815
Brooklyn Park 27053026816
Brooklyn Park 27053026818
Brooklyn Park 27053026819
Brooklyn Park 27053026821
Brooklyn Center 27053020200
Brooklyn Center 27053020304
Champlin 27053026906
Champlin 27053026908
Maple Grove 27053026707
Maple Grove 27053026710
Mound 27053027602
Plymouth 27053026603
Rogers 27053026909

Program Approach:

With NSP2 resources, the Consortium will impact approximately 403 properties in targeted areas. NSP2 resources will provide financing to increase sales of residential properties in targeted neighborhoods. The acquisition for rehabilitation, land banking or redevelopment activities will eliminate vacant and abandoned or foreclosed residential properties in targeted neighborhoods. NSP2 funds will enable the Consortium to impact existing foreclosed properties and has the potential to arrest the decline in home values based on average sales price, reduce vacant and abandoned residential property in targeted neighborhoods, increase sales of residential property in targeted neighborhoods, and increase the median market values of real estate in targeted neighborhoods. In Minneapolis, the issue is two-fold: getting the blighted foreclosed properties back into circulation (rental and ownership) and removing, through demolition, the blighted structures that have outlived their economic life. The focus in the suburbs is slightly different. Considering the housing stock is not as old and the majority of the foreclosed structures are single-family dwellings, the focus is to maintain, if not secure, the ownership mix, by ensuring that these properties do not end up in the hands of investors for the sole purpose of creating rental income. The intended outcomes are the same in the target area—reduce the number of vacant and blighted units by increasing sales of foreclosed properties and increasing values of the properties. The Consortium will use two novel concepts

in implementation efforts—The First Look and the Twin Cities Community Land Bank. The First Look launched in 2008 and piloted in the Twin Cities as a testament to the coordinated approach to combating the foreclosure crisis that exists in the Twin Cities. The Twin Cities Community Land Bank, a public-private venture with a focus on community re-building objectives. As a non-governmental entity, it is designed to be quicker to respond and more flexible than a government entity, thereby being positioned to compete with private investors whose interests may not necessarily address the community response. HUD regulations require that the Consortium expends 50 percent of its allocated NSP2 funding within two years and all its allocated funds within three years. Housing market conditions in the Consortium target area may rapidly change and affect one or more of the proposed strategic activities. Therefore, the Consortium will consider allocation changes to, within and among the NSP2 eligible activities as non-substantial changes. Any NSP allocation changes will be handled through routine staff review. Financing: Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties. The Consortium proposes to use $2,694,000 of NSP2 funds to assist approximately 125 homebuyers in down payment and closing cost assistance. Program Guidelines: Eligible homebuyers with incomes at or below 120% AMI purchasing a foreclosed upon home who can qualify for a traditional fixed-rate first mortgage loan (or an alternative financing to receive a $10,000 loan that is forgivable. Additional funds maybe available to ensure affordability for households below 80 percent of AMI. The loan will be forgiven at the end of the required affordability period, which will be based on the HOME standar

Program Approach:

ds. The loan will be at a 0% deferred rate; due and payable if the property is no longer owner-occupied, sold, or transferred before the end of the loan term. The loan may go towards down payment and closing costs assistance, and any renovation costs. The homebuyers must receive 8hrs of education.

Consortium Members:

City of Minneapolis, Community Planning and Economic Development (CPED); City of Brooklyn Park, Community Development Department; and Hennepin County Housing, Community Works and Transit Department (HCWT)

How to Get Additional Information:

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$26,306,604.89
Total Budget	$0.00	$26,306,604.89
Total Obligated	$0.00	$25,745,932.84
Total Funds Drawdown	$0.00	$25,546,480.76
Program Funds Drawdown	$0.00	$19,455,156.00
Program Income Drawdown	$0.00	$6,091,324.76
Program Income Received	$0.00	$7,143,403.29
Total Funds Expended	$0.00	$26,605,525.74
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	$0.00	$0.00
Limit on Admin/Planning	$1,945,515.60	$1,434,889.72
Limit on Admin	$0.00	$1,434,889.72
Most Impacted and Distressed Threshold (Projected)	$0.00	$0.00
Progress towards LH25 Requirement	$6,675,410.00	$6,219,945.50

Overall Progress Narrative:

We have no expenditures to report this quarter. As we move toward closeout we are in the process of reconciling financials and uploading address data for the Hennepin County, Brooklyn Park, and Demolition, Land Banking activities.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP2 PI Waiver, NSP2 Program Income Waiver	$0.00	$0.00	$0.00
NSP2AdminBrooklynPark, NSP2 Admin-City of Brooklyn	$0.00	$199,240.00	$99,950.32
NSP2AdminHennepinCounty, NSP2 Adminstration-	$0.00	$143,000.00	$120,788.64
NSP2AdminMinneapolis, NSP2 Administration-City of	$0.00	$1,237,001.91	$902,364.89
NSP2DemolitionMinneapolis, NSP2 Demolition-City of	$0.00	$1,097,923.55	$1,053,539.04
NSP2Financing Hennepin County, NSP2 Financing-	$0.00	$603,465.84	$593,190.84
NSP2FinancingBrooklynPark, NSP2 Financing-City of	$0.00	$0.00	$0.00
NSP2FinancingMinneapolis, NSP2 Financing-City of	$0.00	$1,499,999.99	$1,309,606.32
NSP2LandBankMinneapolis, NSP2 Land Bank- City of	$0.00	$2,275,184.35	$2,089,932.67
NSP2PurchaseRehabMinneapolis, NSP2 Purchase and	$0.00	$5,028,446.07	$4,509,286.65
NSP2RedevelopBrooklynPark, NSP2 Redevelopment-City of	$0.00	$5,444,890.87	$1,937,053.63
NSP2RedevelopHennepinCounty, NSP2 Redevelopment-	$0.00	$549,725.00	$480,228.67
NSP2RedevelopMinneapolis, NSP2 Redevelopment-City of	$0.00	$8,621,952.65	$6,359,214.33

Activities

Project # / NSP2DemolitionMinneapolis / NSP2 Demolition-City of

Grantee Activity Number:	**NSP2DemoMpls**
Activity Title:	**NSP2 Demolition Minneapolis**

Activitiy Category:
Clearance and Demolition

Activity Status:
Under Way

Project Number:
NSP2DemolitionMinneapolis

Project Title:
NSP2 Demolition-City of Minneapolis

Projected Start Date:
01/14/2010

Projected End Date:
12/31/2019

Benefit Type:
Area ( )

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Minneapolis Community Planning and

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	$1,097,923.55
Total Budget	$0.00	$1,097,923.55
Total Obligated	$0.00	$1,097,923.55
Total Funds Drawdown	$0.00	$1,097,923.55
Program Funds Drawdown	$0.00	$1,053,539.04
Program Income Drawdown	$0.00	$44,384.51
Program Income Received	$0.00	$3,856.82
Total Funds Expended	$0.00	$1,089,778.61
City of Minneapolis Community Planning and	$0.00	$1,089,778.61
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

This activity contains the costs and address reporting for the properties acquired under activity NSP2LndBnkMpls that were not feasible for rehab. These were blighted structures which were demolished to meet a national objective under eligible use D. The cleared lots will then be redeveloped with NSP or other funds, or otherwise disposed of according to NSP rules.

Location Description:

Census Tract
Mpls 27053000101
Mpls 27053102300
Mpls 27053000102
Mpls 27053102500
Mpls 27053000300
Mpls 27053102600
Mpls 27053000601

Mpls 27053102800
Mpls 27053000603
Mpls 27053102900
Mpls 27053001100
Mpls 27053103400
Mpls 27053001700
Mpls 27053104100
Mpls 27053002200
Mpls 27053106000
Mpls 27053002400
Mpls 27053107100
Mpls 27053002700
Mpls 27053107200
Mpls 27053003200
Mpls 27053108600
Mpls 27053003300
Mpls 27053108700
Mpls 27053005902
Mpls 27053109400
Mpls 27053007301
Mpls 27053109700
Mpls 27053007302
Mpls 27053110000
Mpls 27053007802
Mpls 27053110100
Mpls 27053007900
Mpls 27053110200
Mpls 27053008300
Mpls 27053110900
Mpls 27053008400
Mpls 27053008500
Mpls 27053009500
Mpls 27053009600
Mpls 27053100200
Mpls 27053100400
Mpls 27053100500
Mpls 27053100700
Mpls 27053100800
Mpls 27053100900
Mpls 27053101200
Mpls 27053101300
Mpls 27053101400
Mpls 27053101500
Mpls 27053101600
Mpls 27053101800
Mpls 27053101900
Mpls 27053102000
Mpls 27053102100

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/56

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	

Project # / NSP2LandBankMinneapolis / NSP2 Land Bank- City of

Grantee Activity Number:	**NSP2LndBnkMpls**
Activity Title:	**NSP2 Land Banking Acq Mpls**

Activitiy Category:
Land Banking - Acquisition (NSP Only)

Activity Status:
Under Way

Project Number:
NSP2LandBankMinneapolis

Project Title:
NSP2 Land Bank- City of Minneapolis

Projected Start Date:
01/14/2010

Projected End Date:
12/31/2019

Benefit Type:
Area ( )

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Minneapolis Community Planning and

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	$2,275,184.35
Total Budget	$0.00	$2,275,184.35
Total Obligated	$0.00	$2,100,184.35
Total Funds Drawdown	$0.00	$2,100,184.35
Program Funds Drawdown	$0.00	$2,089,932.67
Program Income Drawdown	$0.00	$10,251.68
Program Income Received	$0.00	$327,035.96
Total Funds Expended	$0.00	$2,106,540.98
City of Minneapolis Community Planning and	$0.00	$2,106,540.98
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

NSP2 funds will be used for acquisition, land banking, rehabilitation, and redevelopment of properties in neighborhoods damaged the most by the foreclosure crisis. Some of these properties later flowed through to other NSP2 activities in this grant. In particular, some acquired properties were deemed unfeasible for rehabilitation and were cleared as blighted structures under the NSP2DemoMpls activity.

Location Description:

Census Tract
Mpls 27053000101
Mpls 27053102300

Mpls 27053000102
Mpls 27053102500
Mpls 27053000300
Mpls 27053102600
Mpls 27053000601
Mpls 27053102800
Mpls 27053000603
Mpls 27053102900
Mpls 27053001100
Mpls 27053103400
Mpls 27053001700
Mpls 27053104100
Mpls 27053002200
Mpls 27053106000
Mpls 27053002400
Mpls 27053107100
Mpls 27053002700
Mpls 27053107200
Mpls 27053003200
Mpls 27053108600
Mpls 27053003300
Mpls 27053108700
Mpls 27053005902
Mpls 27053109400
Mpls 27053007301
Mpls 27053109700
Mpls 27053007302
Mpls 27053110000
Mpls 27053007802
Mpls 27053110100
Mpls 27053007900
Mpls 27053110200
Mpls 27053008300
Mpls 27053110900
Mpls 27053008400
Mpls 27053008500
Mpls 27053009500
Mpls 27053009600
Mpls 27053100200
Mpls 27053100400
Mpls 27053100500
Mpls 27053100700
Mpls 27053100800
Mpls 27053100900
Mpls 27053101200
Mpls 27053101300
Mpls 27053101400
Mpls 27053101500
Mpls 27053101600
Mpls 27053101800
Mpls 27053101900
Mpls 27053102000
Mpls 27053102100

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	88/56

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

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	

Project # / NSP2RedevelopMinneapolis / NSP2 Redevelopment-City of

Grantee Activity Number:	**NSP2RDVLPMpls**
Activity Title:	**NSP2 Redevelopment -Minneapolis**

Activitiy Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
NSP2RedevelopMinneapolis

Project Title:
NSP2 Redevelopment-City of Minneapolis

Projected Start Date:
01/14/2010

Projected End Date:
12/31/2019

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Minneapolis Community Planning and

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	$8,246,952.65
Total Budget	$0.00	$8,246,952.65
Total Obligated	$0.00	$8,246,952.65
Total Funds Drawdown	$0.00	$8,246,952.65
Program Funds Drawdown	$0.00	$6,358,842.96
Program Income Drawdown	$0.00	$1,888,109.69
Program Income Received	$0.00	$2,605,034.94
Total Funds Expended	$0.00	$9,005,466.86
City of Minneapolis Community Planning and	$0.00	$9,005,466.86
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

Redevelop Demolished or Vacant Properties as housing.

Location Description:

Census Tract
Mpls 27053000101
Mpls 27053102300
Mpls 27053000102
Mpls 27053102500
Mpls 27053000300
Mpls 27053102600
Mpls 27053000601
Mpls 27053102800
Mpls 27053000603
Mpls 27053102900
Mpls 27053001100
Mpls 27053103400
Mpls 27053001700
Mpls 27053104100
Mpls 27053002200
Mpls 27053106000
Mpls 27053002400
Mpls 27053107100
Mpls 27053002700
Mpls 27053107200
Mpls 27053003200
Mpls 27053108600
Mpls 27053003300
Mpls 27053108700
Mpls 27053005902
Mpls 27053109400
Mpls 27053007301
Mpls 27053109700
Mpls 27053007302
Mpls 27053110000
Mpls 27053007802
Mpls 27053110100
Mpls 27053007900
Mpls 27053110200
Mpls 27053008300
Mpls 27053110900
Mpls 27053008400
Mpls 27053008500
Mpls 27053009500
Mpls 27053009600
Mpls 27053100200
Mpls 27053100400
Mpls 27053100500
Mpls 27053100700
Mpls 27053100800
Mpls 27053100900
Mpls 27053101200
Mpls 27053101300
Mpls 27053101400
Mpls 27053101500
Mpls 27053101600
Mpls 27053101800
Mpls 27053101900
Mpls 27053102000
Mpls 27053102100

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	3/0	3/77	6/77	100.00

# Owner Households	0	0	0	3/0	3/77	6/77	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	