

Grantee: Metropolitan Development and Housing Agency

Grant: B-09-CN-TN-0024

April 1, 2019 thru June 30, 2019 Performance Report

Grant Number: B-09-CN-TN-0024	Obligation Date:	Award Date: 02/11/2010
Grantee Name: Metropolitan Development and	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$30,469,999.99	Grant Status: Active	QPR Contact: Angela Harrell
LOCCS Authorized Amount: \$30,469,999.99	Estimated PI/RL Funds: \$4,800,146.41	
Total Budget: \$35,270,146.40		

Disasters:

Declaration Number
NSP

Narratives

Executive Summary:

An application was submitted by four agencies located in Nashville and Davidson County, Tennessee, as a consortium. The consortium members were awarded \$30,470,000 under the second round of funding for the Neighborhood Stabilization Program (NSP2). In September 2010, two of the consortium members roles were changed from subrecipient or grantee to developer status at the request of the Consortium. The Consortium now consists of the Metropolitan Development and Housing Agency (MDHA) and The Housing Fund (THF) with Urban Housing Solutions (UHS) and Woodbine Community Organization (WCO) as developers. The intent of the program still remains intact and working accordingly.

Each Application member has extensive experience managing neighborhood stabilization activities. The team has targeted four areas of Metropolitan Nashville and Davidson County (Metro Nashville) to perform the following NSP2 driven activities:

- (a) establish a shared equity financing mechanism for low to middle income homebuyers of foreclosed properties;
- (b) purchase and rehabilitate residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such properties; and
- (c) redevelop demolished or vacant properties as viable and affordable housing.

In furtherance of these general activities, the Consortium will use NSP2 funds to achieve the following results:

- (a) stabilize neighborhoods through housing development and redevelopment;
- (b) leverage neighborhood stabilization as a springboard to neighborhood revitalization;
- (c) target areas based on need and past and ongoing redevelopment/revitalization activities;
- (d) locate multifamily developments on mixed-use transit corridors as anchors, with surrounding neighborhood single-family housing infill;
- (e) provide rental and homebuyer units, including rentals for former and/or foreclosed owners;
- (f) creating mixed-income communities;
- (g) use shared equity loans to sustain affordability, ensure "successful homeownership," and balance gentrification; and
- (h) incorporate green building technologies to promote financial and physical health and well being.

The use of NSP2 funds will allow the Consortium to stabilize four key neighborhoods in Metro Nashville, which have been hardest hit by vacancies and foreclosures in the past three years. Moreover, use of NSP2 funds in these communities will foster the development of viable urban communities and the creation of decent housing, suitable living environments and economic opportunity for persons of low and moderate income.

Target Geography:

The Application members chose 17 eligible census tracts in four neighborhoods to comprise its target geography. A list of census tracts is included in Appendix 1 on page 46. These distinct "Target Neighborhoods" have been labeled as (1) North Nashville, (2) South Nashville, (3) East Nashville, and (4) Southeast Nashville. Each Target Neighborhood has a unique set of housing market, credit, and employment needs. These factors have contributed differently to the decline of each Target Neighborhood. (i) North Nashville – A Neighborhood of Converging Distress Factors The North Nashville target neighborhood is comprised of eight census tracts that are experiencing similar types of neighborhood destabilization. In the 2000 US Census, this area contained almost 12,000 households, which was about 5 percent of Metro Nashville's household stock. North Nashville is facing major problems with rising foreclosures due in part to the highest averages of sub-prime loans in Nashville's target areas. These risky loans, combined with high unemployment levels are causing North Nashville residents to lose their homes in increasing numbers. This target area has not experienced growth in new construction in recent years. It is comprised of communities that are at risk of abandonment due to the foreclosure crisis. Without intervention, North Nashville neighborhood conditions will likely worsen as property values drop and vacancies rise. All homeowners—especially those with subprime loans—will be pushed into a precarious financing position with low or negative equity in their homes. Stabilization approaches that acquire foreclosed homes and that allow individuals the ability to

realize homeownership without risky loans, such as Shared Equity housing, can reverse the disinvestment this neighborhood is experiencing. Additionally, this neighborhood is in need of larger numbers of affordable rental properties so that residents at the lowest income levels will not be displaced from their neighborhood as stabilization occurs. North Nashville Supporting Data. One of the most telling indicators of neighborhood decline comes in the form of falling numbers of home sales and increased length of time homes remain on the market. In the first six months of 2007, 523 homes sold in North Nashville, or 4 percent of the homes in the area. In the first half of 2009 this number dropped over 50 percent to 234 homes sold, or 2 percent of area homes. (Source: zip-code level data from the Greater Nashville Association of Realtors through the Multiple Listing Service – “MLS Data”) Additionally, the pace of home sales has declined over the past 3 years, with the average time on the market increasing from 65 days in the first six months of 2007 to 76 days in the first six months of 2009. This change indicates that the rate of market absorption slowed considerably during this period. Consistent with the decreasing market absorption rate, the number of foreclosed units is on the rise. In 2008 North Nashville had 9 percent of all completed foreclosures in Metro Nashville, though it has only 5 percent of the increase in the rate of completed foreclosures from 2006 to 2008. It should be noted that many lenders have placed a

Target Geography:

temporary moratorium on foreclosures. As this moratorium is lifted the foreclosure rate is likely to increase significantly. Additionally, portions of North Nashville have vacancy rates that far exceed the 2 percent vacancy rate for Metro Nashville as a whole. For instance, Census Tract 139 has a vacancy rate of 15.4 percent. Loan delinquencies are devastating the North Nashville area. In April 2009, zip codes associated with this neighborhood showed that the highest per

Program Approach:

North Nashville: In 2008, over 30,000 persons in nearly 13,000 households lived in these census tracts. HUD foreclosure and vacancy scores in the target geography identified as North Nashville are roughly equivalent. In 2008, 9 percent of the completed foreclosures in the County were in North Nashville substantiating HUD’s high foreclosure score. Unemployment rates consistently exceed those for Davidson County as a whole, 10.5 percent in 2000 versus 2.9 percent for the County. The NSP approach in North Nashville is the acquisition and rehabilitation of foreclosed or abandoned single family and multifamily properties for resale or rent. Because of the higher unemployment rate in the area and lower average median incomes, safe, decent, well managed rental opportunities are particularly viable strategies for stabilizing its neighborhoods and families. Shared equity homeownership, because of the program’s deeper subsidies and the ongoing relationship between steward and purchaser, is an approach to help lower income households become successful homeowners. South Nashville: In 2008, only 1,193 persons in 499 households lived in these two census tracts. As the lower population evidences, South Nashville has seen significant disinvestment over recent years. It is the one out of the four target geographies where the vacancy score meets the maximum NSP threshold score of 20. The current vacancy rate is over 20 percent. Further attesting to disinvestment and flight from the area, is that incomes are the lowest and unemployment rates the highest among the target areas. Foreclosures are less of a problem, with less than 1 percent of trustee owned properties in Davidson County located in South Nashville/Chestnut Hill. The strategy for stabilizing this neglected area is the redevelopment of blighted properties and new residential construction on vacant properties. Shared equity homeownership with NSP funds, in conjunction with new residential construction, is an approach to help the lower income households in this area become successful homeowners. East Nashville: In 2008, over 14,000 persons in nearly 6,000 households lived in this census tracts. HUD vacancy scores are slightly higher than the foreclosure scores in the target geography identified as East Nashville. In 2008, 3 percent of the county’s completed foreclosures were in East Nashville substantiating HUD’s foreclosure score. Unemployment rates consistently exceed those for Davidson County as a whole, 11.9 percent in 2000 versus 2.9 percent for the County. The NSP approach in East Nashville is twofold: the acquisition and rehabilitation of foreclosed or abandoned single family and multifamily properties for resale or rent; and the redevelopment of blighted or vacant property for use as multifamily rental. The latter approach will be targeted to a particular corridor within East Nashville with higher vacancy scores that is adjacent to a city redevelopment district. Because of the higher unemployment rate in the East Nashville area and lower average median incomes, acquisition and/or rehabilitation of smaller troubled multifamily developments are particularly viable strategies for stabilizing East Nashville neighborhoods and families. Shared equity homeownership is an approach to combat the gentrification

Program Approach:

that was beginning to occur in portions of this target geography because of its proximity to more affluent historic districts. Southeast Nashville: In 2008, nearly 47,000 persons in over 19,000 households lived in these census tracts. Of the four target geographies, Southeast Nashville has the highest HUD foreclosure score (19) and the lowest HUD vacancy score. Average median incomes are considerably higher in this area and exceed that for Metro Nashville as a whole.

Consortium Members:

The Neighborhood Stabilization Program (Round II) is intended to provide extensive neighborhood stabilization activities in seventeen census tracts in four target areas in Metro Nashville (East Nashville, North Nashville, South Nashville, and Southeast Davidson County). This program will be implemented primarily by two consortium members and two developers: Metropolitan Development and Housing Agency (MDHA), The Housing Fund (THF), Urban Housing Solutions (UHS), and Woodbine Community Organization (WCO).

How to Get Additional Information:

Additional information is available on MDHA's website at www.nashville-mdha.org or www.housing4nashville.com for a list of properties available through the program.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$35,152,227.62
Total Budget	\$0.00	\$35,152,227.62
Total Obligated	\$0.00	\$34,889,713.62
Total Funds Drawdown	\$0.00	\$33,300,936.34
Program Funds Drawdown	\$0.00	\$30,469,999.99
Program Income Drawdown	\$0.00	\$2,830,936.35

Program Income Received	\$0.00	\$4,648,962.54
Total Funds Expended	\$1,659.17	\$33,516,703.26
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$4,334,509.81

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	\$4,334,509.81
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$3,047,000.00	\$1,427,167.37
Limit on Admin	\$0.00	\$1,427,167.37
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$8,817,536.60	\$10,752,337.94

Overall Progress Narrative:

Staff is continues to work through completion the closout process. The issues related to expenditures, draws, number of housing units and households still needs to be reconciled in DRGR. Once these issues are resolved, a closeout package will be requested from the field office. Program income is been reported annually for the MDHA projects, but will be updated before closeout is complete.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1000, Financing Mechanism	\$0.00	\$1,639,263.84	\$1,639,263.84
2000, Acquisition/Rehabilitation	\$0.00	\$16,762,072.55	\$16,762,072.55
3000, Redevelopment	\$0.00	\$11,653,255.60	\$11,038,483.78
4000, Administration/Planning	\$0.00	\$1,098,408.00	\$1,030,179.82
5000, THF RLF	\$0.00	\$4,000,000.00	\$0.00

Activities

Project # / 5000 / THF RLF

Grantee Activity Number:	5001-1794
Activity Title:	THF RLF B

Activitiy Category:	Activity Status:
Rehabilitation/reconstruction of residential structures	Completed
Project Number:	Project Title:
5000	THF RLF
Projected Start Date:	Projected End Date:
09/10/2012	09/30/2014
Benefit Type:	Completed Activity Actual End Date:
Direct (HouseHold)	
National Objective:	Responsible Organization:
NSP Only - LMMI	The Housing Fund

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$704,000.00
Total Budget	\$0.00	\$704,000.00
Total Obligated	\$0.00	\$704,000.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$703,981.85
Total Funds Expended	\$0.00	\$2,187.50
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The Housing Fund will acquire and rehabilitate units using income received from previous home sales or direct homebuyer assistance for residential units in the targeted NSP2 census tracts. Program income received will continue to provide acquisition/rehabilitation activities in the future since a revolving loan fund has been established. The fund will allow for loans to continue to be used for a specific purpose.

Location Description:

The location for this activity will be the NSP2 targeted areas--seventeen census tracts in Davidson County. These census tracts are located in four neighborhoods: South Nashville, North Nashville, Southeast Nashville, and East Nashville.

Activity Progress Narrative:

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	

Grantee Activity Number:	5002-1794
Activity Title:	THF RLF E

Activitiy Category:	Activity Status:
Construction of new housing	Completed
Project Number:	Project Title:
5000	THF RLF
Projected Start Date:	Projected End Date:
09/10/2012	09/30/2014
Benefit Type:	Completed Activity Actual End Date:
Direct (HouseHold)	
National Objective:	Responsible Organization:
NSP Only - LMMI	The Housing Fund

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$2,896,000.00
Total Budget	\$0.00	\$2,896,000.00
Total Obligated	\$0.00	\$2,896,000.00
Total Funds Drawdown	\$0.00	\$2,435,590.40
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$2,435,590.40
Program Income Received	\$0.00	\$2,882,853.59
Total Funds Expended	\$0.00	\$2,435,590.40
The Housing Fund	\$0.00	\$2,435,590.40
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The Housing Fund will acquire and construct units using income received from previous home sales or direct homebuyer assistance for residential units in the targeted NSP2 census tracts. Program income received will continue to provide acquisition/construction activities in the future since a revolving loan fund has been established. The fund will allow for loans to continue to be used for a specific purpose.

Location Description:

17 census tracts

Activity Progress Narrative:

The shared equity property located at 1208 3rd Ave. S., Apt. 9 was sold to another income eligible homebuyer. PI from the resale was receipted in the amount of \$14,932.48.

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	

Grantee Activity Number:	5003-1794
Activity Title:	THF Program Delivery

Activitiy Category:	Activity Status:
Administration	Completed
Project Number:	Project Title:
5000	THF RLF
Projected Start Date:	Projected End Date:
09/15/2012	09/30/2014
Benefit Type:	Completed Activity Actual End Date:
()	
National Objective:	Responsible Organization:
N/A	The Housing Fund

Overall	Apr 1 thru Jun 30, 2019	To Date
Total Projected Budget from All Sources	N/A	\$400,000.00
Total Budget	\$0.00	\$400,000.00
Total Obligated	\$0.00	\$400,000.00
Total Funds Drawdown	\$0.00	\$395,345.95
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$395,345.95
Program Income Received	\$0.00	\$398,564.82
Total Funds Expended	\$1,659.17	\$400,223.98
The Housing Fund	\$1,659.17	\$400,223.98
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is for the administration/planning for the revolving loan fund activities planned in the targeted seventeen census tracts in Davidson County. The revolving loan fund will allow for acquisition, rehabilitation, and construction activities.

Location Description:

This activity is for the administration/planning for the revolving loan fund activities planned in the targeted seventeen census tracts in Davidson County.

Activity Progress Narrative:

Costs for program delivery of the shared equity program were expended this quarter.

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	
