

Grantee: Birmingham, AL

Grant: B-11-MN-01-0001

July 1, 2021 thru September 30, 2021 Performance

Grant Number: B-11-MN-01-0001	Obligation Date:	Award Date:
Grantee Name: Birmingham, AL	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$2,576,151.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$2,576,151.00	Estimated PI/RL Funds: \$601,739.52	
Total Budget: \$3,177,890.52		

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

A review of the City's overall situation indicates that for the purposes of this grant application, a large portion of the City exceeds the NSP program requirements for eligibility. The City will work within these areas where feasible but will not reject other areas of foreclosure concentration not shown under the Areas of Greatest Need. The foreclosure data presented was gathered from multiple sources but, due to time constraints, should not be considered all inclusive. Foreclosure data is not static and may change rapidly with market conditions. The areas shown on attachment A have been selected as Priority Areas of Greatest Need for the use of NSP funds within the City. The Priority Areas of Greatest Needs show most, though not all the factors which were included in the analysis. Among factors considered were the Areas with the highest percentage of foreclosures, the areas with the highest percentage of homes financed by subprime mortgage related loans, and the areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Distribution and Use of Funds: Per Section 2301(c)(2) of HERA, as amended by the Recovery Act and the Dodd-Frank Act, the funds will be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by The City as likely to face a significant rise in the rate of home foreclosures. These areas are included as Attachment A. These areas were chosen because they meet the aforementioned criteria. Under Addressing Local Housing Market Conditions The City has further describes how these criteria will be met. Activity Number 1 Activity Name Purchase and Rehabilitation Program for Sale, Rent or Redevelopment. Uses Select all that apply: Eligible Use A: Financing Mechanisms Eligible Use B: Acquisition and Rehabilitation CDBG Activity or Activities • As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. • 24 CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below): • 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity). • 24 CFR 570.201 (a) Acquisition and (b) Disposition. National Objective LMMI - Low, Moderate, Middle Income national objectives Activity Description Funds utilized under this activity will be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a sub prime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. In Attachment A, we have attached a map setting forth the "Areas of Greatest Need" in the City of Birmingham for the expenditure of CDBG-NSP Funds. Criteria for this identified 'target' area are that based on our analysis of HUD data, our "Areas of Greatest Need" are those Neighborhoods in which the Neighborhood NSP3 score is 15 or higher. The expected benefit to income qualified persons will be to provide or improve permanent residential structures for low, moder

Summary of Distribution and Uses of NSP Funds:

ate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income. This activity will be used to meet statutory requirement that at least 25% of funds must be used for housing individuals and families whose income do not exceed 50% of area median income. Units purchased, rehabilitated or redeveloped under this Program may be gifted at no cost to qualified 501(c) (3) organizations that demonstrate the ability to maintain and manage the units over time

How Fund Use Addresses Market Conditions:

Addressing Local Housing Market Conditions:

By having a program directed specifically at purchasing and rehabbing for sale, rent or redevelopment The City of Birmingham can focus NSP3 monies into specific pockets of the city so as to keep housing values from falling further. These pockets are defined by the "areas of greatest needs". In keeping up the value of housing, it will encourage businesses and other home owners to stay in the area and possibly bring more commercial and residential opportunities to the area. This will alleviate some of the decline in these areas with high foreclosure percentages, specifically those caused by homes with sub-prime mortgage related loans or identified by The State or The City as likely to face a significant rise in the rate of home



foreclosures. The City also plans to leverage its annual allocation of CDBG and HOME funds primarily in the same areas described in the "Areas of Greatest Need". By utilizing this other funding The City hopes to enhance the impact to the area.

Ensuring Continued Affordability:

The City has adopted the HOME Program affordability standards found at 24 CFR 92.252 (a), (c), (e), and (f), and 24 CFR 92.254 to meet the continued affordability standards of the Neighborhood Stabilization Program. Utilizing these standards, the City will ensure that all NSP assisted housing remains affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301 (f) (3) (A) (ii), remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income. Enforcement Mechanisms HOME rules require that assisted properties remain affordable for a specific period of time (5, 10, 15 or 20 years), depending on the activity and the level of funds invested. Participating Jurisdictions are required to place certain restrictions on assisted properties in order to preserve affordable housing in their communities. Restrictions involving the period of affordability will be incorporated in a deed restriction and/or mortgage documents or other appropriate and binding documents (Note: covenants on land may be used in lieu of deed restrictions). Qualification as Affordable Housing: Rental Housing (a) 24 CFR 92.252 (a) Rent limitation. HUD provides the following maximum HOME rent limits. The maximum HOME rents (High HOME Rents) are the lesser of: (1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR § 888.111; or (2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions. (b) 24 CFR 92.252 (c) Initial rent schedule and utility allowances. The participating jurisdiction shall establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction shall review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the participating jurisdiction shall ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services. (c) 24 CFR 92.252 (e) Periods of Affordability. The NSP-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They shall be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived accororiginal terms if, during the original affordability period, the o

Ensuring Continued Affordability:

wner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former has or had family or business ties, obtains an ownership interest in the project or property. ----- Rental housing activity &am

Vicinity Hiring:

Vicinity Hiring

The NSP3 Vicinity is defined by the Area of Greatest Need Map. Vicinity Hiring will occur to the best extent feasible. Vicinity hiring is defined as the hiring of those in the vicinity that NSP3 money is spent or contracting with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects. The following Vicinity Hiring Clause will be inserted into contracts that are covered by Vicinity Hiring

The work to be performed under this contract is subject to the requirements of Vicinity Hiring as defined by the Dodd-Frank Act referenced in FR 75 64322-64348. The purpose of Vicinity Hiring is to ensure that employment assisted by NSP3 funds shall, to the greatest extent feasible, be directed to those residing in the area where NSP3 funds are expended, specifically the "Areas of Greatest Need".

Definition of Blighted Structure:

Term

Definition

Blighted Structure

Standards for blight in the State of Alabama and the City of Birmingham are found in two places:

1) Chapter 2, Title 24, Code of Alabama, 1975. In Section 24-2-2-c

"blighted property" is defined to include: "property that contains any of the following factors: ...structures, buildings or improvements which, because of dilapidation, deterioration or unsanitary or unsafe conditions... are unfit for human habitation... structures from which utilities, plumbing, heating, sewerage or other facilities have been destroyed, removed or rendered ineffective...the presence of...overgrown...noxious weeds...trash and debris, a haven for mosquitoes, rodents or other vermin...

2) Code of the City of Birmingham - Housing Ordinance - Section 7. In

Section 7-1-172, the following standard for blight is set forth: Any dwelling or dwelling unit or place of employment which shall be found to have any of the following defects shall be condemned as unfit for human habitation or as a place of employment and shall be so designated and placarded by the director of buildings and inspections: (1) One which is so damaged, decayed, dilapidated, unsanitary, and unsafe or vermin infested that it creates a serious hazard to the health or safety of the occupants or of the public.

(2) One which lacks illumination, ventilation or sanitation facilities adequate to protect the health or safety of the occupants or of the public.

(3) One which because of its general condition or location is unsanitary, or otherwise dangerous, to the health or safety of the occupants or of the public.

Definition of Affordable Rents:

Affordable Rents

HOME program rents will be used by the City for projects funded by NSP. These are updated annually by the U.S. Department of Housing and Urban Development. HOME Program rent limits are available at www.hud.gov

Housing Rehabilitation/New Construction Standards:

HUD is requiring that all gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New



Homes. All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed. Where relevant the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).

Procedures for Preferences for Affordable Rental Dev.:

Rental Preference

When possible the City will give preference for the development of affordable rental housing, but due to limited funds this may not be feasible. If at all possible a preference in regard to rental housing will be to those with disabilities and other special needs housing.

Grantee Contact Information:

NSP3 Program Administrator Contact Information
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Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$3,157,313.95
Total Budget	\$0.00	\$3,157,313.95
Total Obligated	\$0.00	\$3,157,313.95
Total Funds Drawdown	\$0.00	\$3,099,482.84
Program Funds Drawdown	\$0.00	\$2,555,474.45
Program Income Drawdown	\$0.00	\$544,008.39
Program Income Received	\$0.00	\$601,739.52
Total Funds Expended	\$0.00	\$3,157,213.97
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
City of Birmingham - Community Development	\$ 0.00	\$ 3,157,213.97

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	\$2,899,985.49	\$.00	\$.00
Limit on Public Services	\$386,422.65	\$.00	\$.00
Limit on Admin/Planning	\$257,615.10	\$277,615.00	\$277,515.02
Limit on Admin	\$.00	\$277,615.00	\$277,515.02
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$794,472.63		\$836,966.88



Overall Progress Narrative:

All activities complete and closed.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administrative Cost	\$0.00	\$277,615.00	\$174,902.94
0002, Purchase and Rehabilitation	\$0.00	\$2,900,275.52	\$2,380,571.51
9999, Restricted Balance	\$0.00	(\$20,676.55)	\$0.00

